

SCHEDULE A

ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF KGATELOPELE MUNICIPALITY

2014/15

ANNUAL BUDGET OF

KGATELOPELE MUNICIPALITY

2014/14 TO 2016/17
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS	4
1.3 EXECUTIVE SUMMARY	5
1.4 OPERATING REVENUE FRAMEWORK	7
1.5 OPERATING EXPENDITURE FRAMEWORK	21
1.6 CAPITAL EXPENDITURE	25
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY	31
2 PART 2 – SUPPORTING DOCUMENTATION	61
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	61
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	82
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	89
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	95
2.5 OVERVIEW OF BUDGET FUNDING	98
2.6 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	112
2.7 COUNCILLOR AND EMPLOYEE BENEFITS	116
2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	118
2.9 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS	127
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	127
2.11 CAPITAL EXPENDITURE DETAILS	127
2.12 LEGISLATION COMPLIANCE STATUS	136
2.13 OTHER SUPPORTING DOCUMENTS	137
2.14 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	143

List of Tables

Table 1 Consolidated Overview of the 2013/14 MTREF	6
Table 2 Summary of revenue classified by main revenue source	Error! Bookmark not defined.
Table 3 % growth in revenue by main revenue source	10
Table 4 Operating Transfers and Grant Receipts	12
Table 5 Comparison of proposed rates to be levied for the 2013/14 financial year	14
Table 6 Proposed Water Tariffs	15
Table 7 Comparison between current water charges and increases (Domestic)	15
Table 8 Comparison between current electricity charges and increases (Domestic)	16
Table 9 Comparison between current sanitation charges and increases	17
Table 10 MBRR Table SA14 – Household bills	18
Table 11 Summary of operating expenditure by standard classification item	21
Table 12 Operational repairs and maintenance	24
Table 13 2013/14 Medium-term capital budget per vote	25

Table 14 MBRR Table A1 - Budget Summary	Error! Bookmark not defined.
Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	35
Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	37
Table 17 Surplus/(Deficit) calculations for the trading services	40
Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	41
Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	46
Table 20 MBRR Table A6 - Budgeted Financial Position	48
Table 21 MBRR Table A7 - Budgeted Cash Flow Statement	53
Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	54
Table 23 MBRR Table A9 - Asset Management.....	56
Table 24 MBRR Table A9 - Asset Management (continued)	Error! Bookmark not defined.
Table 25 MBRR Table A10 - Basic Service Delivery Measurement	58
Table 26 MBRR Table A10 - Basic Service Delivery Measurement (continued)	Error! Bookmark not defined.
Table 27 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	86
Table 28 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	87
Table 29 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	89
Table 30 MBRR Table SA7 - Measurable performance objectives.....	91
Table 31 MBRR Table SA8 - Performance indicators and benchmarks.....	92
Table 32 MBRR SA15 – Detail Investment Information	98
Table 33 MBRR SA16 – Investment particulars by maturity.....	98
Table 34 Sources of capital revenue over the MTREF	99
Table 35 MBRR Table SA 17 - Detail of borrowings	100
Table 36 MBRR Table SA 18 - Capital transfers and grant receipts	101
Table 37 MBRR Table A7 - Budget cash flow statement.....	104
Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	105
Table 39 MBRR SA10 – Funding compliance measurement.....	107
Table 40 MBRR SA19 - Expenditure on transfers and grant programmes.....	112
Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	114
Table 42 MBRR SA22 - Summary of councillor and staff benefits	116
Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	117
Table 44 MBRR SA24 – Summary of personnel numbers.....	118
Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure	118
Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	120
Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	120

Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	123
Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	124
Table 50 MBRR SA30 - Budgeted monthly cash flow.....	125
Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class	128
Table 52 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	130
Table 53 MBRR SA34c - Repairs and maintenance expenditure by asset class	132
Table 54 MBRR SA35 - Future financial implications of the capital budget	134
Table 55 MBRR SA36 - Detailed capital budget per municipal vote	136
Table 56 MBRR SA37 - Projects delayed from previous financial year	136
Table 57 MBRR Table SA1 - Supporting detail to budgeted financial performance	137
Table 58 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	141
Table 59 MBRR Table SA3 – Supporting detail to Statement of Financial Position	142
Table 60 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	142
Table 61 MBRR Table SA9 – Social, economic and demographic statistics and assumptions (continued)....	Error! Bookmark not defined.
Table 62 MBRR SA32 – List of external mechanisms	Error! Bookmark not defined.

List of Figures

Figure 1 Main operational expenditure categories for the 2014/15 financial year	23
Figure 2 Planning, budgeting and reporting cycle	90
Figure 3 Sources of capital revenue for the 2014/15 financial year	100

Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	Town Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

It is a great honour to present to you the draft multi-year budget for Kgatelopele Municipality in respect of the 2014/15, 2015/16 and 2016/17 financial years.

The Budget has been aligned with the key objectives as expressed in the Integrated Development Plan (IDP), with the emphasis on delivery of basic services to our community.

Members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations the MFMA requires that the budget be tabled ninety (90) days before the start of the financial year.

Furthermore, the increase in the electricity tariffs as approved by the National Electricity Regulator of South Africa (NERSA), will result in an 7.39% increase for 2014/15 financial year.

We discovered that Kgatelopele municipality have a 33% electricity loss and I would like to urge management to investigate and find a solution to this matter.

Governance

The Municipality has made great strides in improving the internal capacity in the organisational structure with the implementation of the internal audit unit, and the appointment of senior managers in the organisation.

It is the purgative of management to further improve the internal capacity of the municipality, by focusing on the filling of key positions within the budget and treasury office and the technical department. This key element had a direct impact on service delivery and the effective efficient governance of the municipality.

Housing

During the community consultation processes the communities identified housing as one of the key focus areas that needs to be addressed in the IDP. The municipality has received an R 3.9 mil for the 2013/14 financial year, for the construction of 50 houses. This project will realise its completion by the end of the 2013/14 financial year. The municipality anticipate to receive a housing allocation for the 2014/15 financial year but at the time of compilation of this budget, the allocation has not yet been publicised.

Economic Development

As part of Government's aim to create jobs, provision has been made in the budget for EPWP job creation projects to the value of R1 000 000 through the EPWP Grant. The municipality also aims to undertake more labour intensive projects which will enable us to assist in the creation of jobs.

Infrastructure Development

The MIG allocation of R7 843000 for the 2014/2015 financial year will be spent according to the approved IDP projects.

RATES & PROPERTY

- The new general valuation roll was implemented 1 July 2013, in accordance with the MPRA. The property rates tariffs will be increased with the 6.2% CPI rate as prescribed for the 2014/15 financial year. The municipality will adjust values annually, implementable 31 January 2014, in accordance with the MPRA.

FREE BASIC SERVICES

- The municipality intends to allocate free basic services to 2500 households during the 2014/15 financial year. The free basic serves is estimated at R 7 311 000.00.

CONCLUSION

I want to encourage Council and officials to work together to overcome the challenges we are still facing to make this Municipality a success where basic service delivery is concerned.

I am quite confident that all the role players in the municipality will each do their part to take Kgatelopele to a higher level.

In spite of our differences, let us live out our name, Kgatelopele: *Moving Forward!*

I THANK YOU

1.2 Council Resolutions

On 27 March 2014 the Council of Kgatelopele Local Municipality met in the Council Chambers of Kgatelopele Municipality to consider the draft annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. The Council of Kgatelopele Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2014/15 and the multi-year and single-year capital appropriations as set out in the following tables on the prescribed budget format version 2.6 Tables (A1) to (A10)
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 2 on page 7;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 35;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 37; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 42.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 18 on page 33;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 46;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 47;
 - 1.2.4. Asset management as contained in Table 26 on page 49; and
 - 1.2.5. Basic service delivery measurement as contained in Table 28 on page 52.
2. The Council of Kgatelopele Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014: as per Annexure A
3. To give proper effect to the municipality's annual budget, the Council of Kgatelopele Local Municipality approves:
 - 3.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

- 3.2. That the municipality be permitted to enter into long-term loans for the upgrading of water and electricity meters in respect of the 2014/15 financial year limited to an amount of R20 million of the MTREF in terms of Section 46 of the Municipal Finance Management Act.
- 3.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, overseas and national travel, accommodation, and catering.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 71, 72 and 67, were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

R	Adjustments Budget 2013/14	Budget Year 2014/15	Budget Year +1 2015/2016	Budget Year +2 2016/2017
Total Operating Revenue	R66 676 000.00	R73 441 000.00	R 78 989 000.00	R 83 413 000
Total Operating Expenditure	R66 676 000.00	R72 646 000.00	R 80 330 000.00	R89 167 000
<i>(Surplus) / Deficit for the year</i>	-	(R795 000)	R 1 341 000	R5 754 000
Transfers Capital: External Funding	R 22 798 000	R 7 843 000	R 8 306 000	R 8 763 000
Transfers Capital: Own Funding		R 432 000	R 457 000	R 483 000
Total Capital Expenditure	R 22 798 000	R 8 275 000	R 8 763 000	R 9 246 000

Total operating revenue has grown by 9.2 % or R6 765 000 for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 5.9 % and 5.5 % respectively, equating to a total revenue growth of R9 972 000 over the MTREF period. The percentages growth is in line with the CPI forecast, but is concerning since the growth does not cover the anticipated increase in operating expenditure and is realising a deficit in the two outer years of the MTREF period.

1.4 Operating Revenue Framework

Kgatelopele has reached certain milestones in regards to increasing the revenue of the municipality. However the municipality is still faces with socio economic factors such as poverty, and a culture of non-payment which have a negative impact on the revenue generation that is so curtail for service delivery. It is therefore the intent of this budget to address the factors related to a decrease in the revenue of the municipality by developing sound revenue enhancement strategies. The municipality intends on focusing on the eradication of electricity and water losses and intensifying the debt collection efforts.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Town and continued economic development;
- Efficient revenue management, which aims to ensure a 62 % annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

NC086 Kgatelopele - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	3 864	3 324	5 494	8 087	8 591	8 591	–	9 550	10 113	10 670
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	7 465	11 477	14 973	16 815	15 184	15 184	–	17 927	18 985	20 029
Service charges - water revenue	2	3 128	4 254	5 736	6 337	6 722	6 722	–	7 842	8 265	8 712
Service charges - sanitation revenue	2	2 650	2 920	2 899	3 475	3 846	3 846	–	4 054	4 273	4 504
Service charges - refuse revenue	2	6 497	3 703	3 935	4 935	5 473	5 473	–	5 964	6 286	6 662
Service charges - other		–	–	–	–	–	–		–	–	–
Rental of facilities and equipment		–	–	–	24	24	24		259	274	289
Interest earned - external investments		–	–	–	26	26	26		27	29	31
Interest earned - outstanding debtors		–	–	–	–	–	–		–	–	–
Dividends received		–	–	–	–	–	–		–	–	–
Fines		–	–	–	11	11	11		12	12	13
Licences and permits		–	–	–	700	700	700		405	429	452
Agency services		–	–	–	–	–	–		414	439	463
Transfers recognised - operational		–	–	–	18 842	18 842	18 842		20 820	22 048	23 349
Other revenue	2	24 224	14 985	22 349	7 424	7 257	7 257	–	6 169	7 836	8 240
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		47 828	40 663	55 386	66 676	66 676	66 676	–	73 441	78 989	83 413
Expenditure By Type											
Employee related costs	2	10 273	11 445	10 026	14 865	14 846	14 846	–	18 117	19 014	20 055
Remuneration of councillors		1 779	1 917	2 015	2 142	2 015	2 015		2 639	2 795	2 949
Debt impairment	3	(8 305)	5 151	8 867	5 800	5 857	5 857		5 600	9 500	10 013
Depreciation & asset impairment	2	–	10 710	–	5 458	5 458	5 458	–	5 909	6 258	6 602
Finance charges		557	1 582	565	2 440	1 296	1 296		584	618	652
Bulk purchases	2	8 838	10 556	11 828	13 767	13 797	13 797	–	14 868	15 745	16 611
Other materials	8	1 644	1 092	1 766	3 130	2 337	2 337		3 669	3 885	4 114
Contracted services		2 875	2 609	3 900	3 481	3 283	3 283	–	5 307	5 620	5 929
Transfers and grants		5 464	6 387	5 657	4 757	4 757	–	–	7 311	7 742	8 168
Other expenditure	4, 5	8 593	8 045	10 671	10 837	13 060	13 060	–	8 642	9 152	14 072
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		31 718	59 494	55 295	66 677	66 706	61 949	–	72 646	80 330	89 167
Surplus/(Deficit)		16 110	(18 831)	91	(1)	(30)	4 727	–	795	(1 341)	(5 754)
Transfers recognised - capital		3 631	3 834	–	–	–	–		7 843	8 306	8 763
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009

Table 2 % growth in revenue by main revenue source

			2013/14 Medium Term Revenue & Expenditure Framework				
Description	Current Year Adjusted Budget 2013/14	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16
Revenue by Source							
Property Rates	8 591 000	5.8%	8 087 000	15%	9 550 000	5.9%	10 113 000
Property Rates - penalties and collections charges	-		-		-		-
Service Charges - electricity revenue	15 184 000	10.7%	16 815 000	6.2%	17 927 000	10.5%	20 029 000
Service Charges - water revenue	6 722 000	5.7%	6 337 000	19%	7 842 000	5.8%	8 712 000
Service Charges - sanitation revenue	3 846 000	9.6%	3 475 000	14.2%	4 054 000	5.9%	4 504 000
Service Charges - refuse revenue	5 473 000	9.8%	4 935 000	17.25%	5 964 000	5.8%	6 662 000
Service Charges - other	-		-		-		-
Rental of Facilities and equipment	26 000	-8%	24 000	100%	259 274	5.9%	348 862
Interest earned - external investments	26000	0%	26 000	6.2%	27 612	5.9%	29 241
interest earned - outstanding debtors	-		-		-		-
Dividends received	-		-		-		-
Fines	11 000	0%	11 000	1%	11 657	5.9%	12 345
Licences and permits	700 000	0%	700 000	72%	405 000	5.9%	428 895
Agency services	-		-				
Transfers recognised - operational	22 798 000	0%	22 798 000	175%	8 275 000	5.9%	8 763 000
Other revenue	3 299 000	2.3%	3 299 000	82%	18 713 000	5.9%	19 518 000
Gains on disposal of PPE	-		-		-		-
Total Revenue (excl. capital transfers and contr.)	66 676 000	10%	66 676 000	8.69%	73 441 000	5.5%	77 322 000

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

In the 2014/15 financial year, revenue from rates and services charges totalled R73 441 000.

Electricity and water projections did not increased with significant amounts, as shown in the table above. This is mainly due to the fact that the projected revenue was done conservatively, in respect of historical data.

Property rates is the second largest revenue source totalling R9 550 000 and increases to R10 113 by 2015/16. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees and advertisement fees. The municipality is also expecting an increase in revenue from the sale of even. It is anticipated that 350 even will be demarcated for residential use within the MTREF period.

Table 3 Operating Transfers and Grant Receipts

NC086 Kgatelopele - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		13 591	15 208	17 959	18 842	18 842	–	19 820	20 931	22 065
Local Government Equitable Share		11 591	12 918	14 659	15 302	15 302		16 086	16 955	17 870
Finance Management		1 250	1 500	1 500	1 650	1 650		1 800	1 950	2 057
Municipal Systems Improvement		750	790	800	890	890		934	967	1 020
EPWP Incentive		–	–	1 000	1 000	1 000		1 000	1 059	1 117
Other transfers/grants [insert description]										
Provincial Government:		606	292	922	979	979	–	1 008	1 035	1 092
Health subsidy		446	–	495	522	522		551	578	610
Sport and Recreation		160	292	427	457	457		457	457	482
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	14 197	15 500	18 881	19 821	19 821	–	20 828	21 966	23 157

Operating Grant Funding

Operating grants and transfers totals R20 828 000 in the 2014/15 financial year and steadily increases to R21 966 000 by 2015/16. Operating grant funding such as the FMG and MSIG, is intended in developing the internal systems and operations of the municipality. The focus of this budget year is on the development of internal capacity, by the development of skills. Which will contribute in ensuring an improved audit outcome for the 2014/15 financial year.

There is no grant funding made by the municipality to other municipalities or organs of state.

The Municipalities Operational Funding

Tariff-setting is a crucial and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.2 % upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The 8.03% increase of Eskom bulk tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Electricity tariff increases is based on the guidelines received from the National Energy Regulator (NERSA). The percentages increase will result in a 7.39% increase in electricity tariffs which is substantial lower than the increase from Eskom.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Town has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The implementation of supplementary valuation rolls in the municipality will also play a crucial role in funding the operational budget of the municipality.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R15 000 reduction on the market value of a property will be granted in terms of the municipalities own Property Rates Policy;
- The Municipality may award a 100 % grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport, and all places of worship.

Table 4 Comparison of proposed rates to be levied for the 2014/15 financial year

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)
	c	C
Residential properties	0.0147	0.0156
Business & Commercial	0.0221	0.0234
Agricultural	0.0037	0.0039
Industrial	0.0221	0.0234
Mining	0.0441	0.0468
Government	0.0037	0.0039
Unregistered	0.0147	0.0156

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A tariff increase of 6.2% from 1 July 2014 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to the indigents. The total amount for operating expenditure on water is estimated at R 4 852 695.41 for the 2014/15 financial year, and projected revenue is R 7 842 000.00

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(if) 0 to 6 kℓ per 30-day period	5.06	5.37
(ii) 7 to 25 kℓ per 30-day period	5.67	6.02
(iii) 26 to 50 kℓ per 30-day period	6.51	6.91
(iv) 50+ per 30-day period	7.74	8.22
BUSINESS		
(i) 0 to 6 kℓ per 30-day period	6.33	6.72
(ii) 7 to 25 kℓ per 30-day period	7.09	7.53
(iii) 26 to 50 kℓ per 30-day period	8.14	8.64
(iv) 50+ per 30-day period	9.68	10.27
INDUSTRY		
(if) 0 to 6 kℓ per 30-day period	7.6	8.07
(ii) 7 to 25 kℓ per 30-day period	8.5	9.02
(iii) 26 to 50 kℓ per 30-day period	9.76	10.36
(iv) 50+ per 30-day period	11.61	12.33

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Monthly KL	Current Account	Proposed Increase	Difference	% Increase
20	101.34	107.62308	-6.28308	6.20%
30	152.04	161.5302	-9.4902	6.20%

40	215.7	229.13108	-13.43108	6.20%
50	280.8	298.26878	-17.46878	6.20%
80	476.1	505.67738	-29.57738	6.20%
100	629.86	668.9705	-39.1105	6.20%

The tariff structure of the 2014/15 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate

Sale of Electricity and Impact of Tariff Increase.

Considering the Eskom increases is 8% the consumer tariff had to be increased by 7.39 % as per NERSA regulations. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs.

Table 6 Comparison between current electricity charges and increases (Domestic)

<i>Monthly Kwh</i>	<i>Current Account</i>	<i>Proposed Increase</i>	<i>Difference</i>	<i>% Increase</i>
100	79.62	85.503918	-5.883918	7.93%
250	212.5	228.20375	-15.70375	7.93%
750	768.79	825.603581	-56.813581	7.93%
1000	1145.71	1230.377969	-84.667969	7.93%
2000	2525.71	2712.359969	-186.649969	7.93%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The municipality has realised a decrease in the actual revenue for electricity charges. This can mainly be attributed to the electricity losses due to theft of electricity which has been estimated at a 33% for the 2013/14 financial year. It is on this bases that the municipality propose the implementation of a basic charge of R15 for indigent and domestic households. The revenue from this basic charges will be assisting in the increment of maintenance and repairs on electricity networks.

As indicated in the tables above the municipalities projected revenue for electricity sales has not increased significantly. The projection was conservatively calculated based on actual outcomes of previous years. The municipality is experiencing a high level of electricity losses.

It should be noted that management intends to focus on implementing preventative measures in deterring fraudulent behaviour. This finds expression through the revenue strategy and the tariff policy.

1.4.3 Sanitation and Impact of Tariff Increases

A tariff increase of 6.2% for sanitation from 1 July 2014 is proposed.

- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R3 689 247 for the 2013/14 financial year.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

CATEGORY PER MONTH	CURRENT TARIFF 2013/14	PROPOSED TARIFF 2014/15
	TARIFF	TARIFF PER kℓ
	R	R
Household	83.92	89.12
Business	152.77	168.05
School	152.77	168.05
Tank	83.92	92.31
Availability	70.00	267.37

1.4.4 Waste Removal and Impact of Tariff Increases

Enviroserv Waste Management rendering the solid waste removal on behalf of the council, the service is operating at a surplus.

A 6.2% increase in the waste removal tariff is proposed from 1 July 2014.

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at 6.2%

Table 8 MBRR Table SA14 – Household bills

NC086 Kgatelopele - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		207.25	229.01	241.60	254.89		254.89	6.2%	270.69	286.66	302.43
Electricity: Basic levy		78.93	91.16	101.21	112.37		112.37	7.4%	120.67	130.33	142.06
Electricity: Consumption		828.02	956.36	1 061.84	1 178.96		1 178.96	7.4%	1 266.09	1 367.37	1 490.44
Water: Basic levy		45.91	50.91	53.71	56.66		56.66	6.2%	60.17	63.72	67.23
Water: Consumption		103.80	115.11	121.77	128.47		128.47	6.2%	136.44	144.48	152.43
Sanitation		78.38	92.49	97.57	102.94		102.94	6.2%	109.32	115.77	122.14
Refuse removal		59.67	65.94	69.56	73.39		73.39	6.2%	77.94	82.54	87.08
Other		–	–	–	–		–	6.2%	–	–	–
sub-total		1 401.96	1 600.98	1 747.26	1 907.68	–	1 907.68	7.0%	2 041.32	2 190.88	2 363.80
VAT on Services		–	–	–	–		–				
Total large household bill:		1 401.96	1 600.98	1 747.26	1 907.68	–	1 907.68	7.0%	2 041.32	2 190.88	2 363.80
% increase/-decrease			14.2%	9.1%	9.2%	(100.0%)	–		7.0%	7.3%	7.9%

[illegible]

Rates and services charges:

Property rates	-	-	-	-	-	-				
Electricity: Basic levy	-	-	-	-	-	-	15.0%	15.00	15.89	16.76
Electricity: Consumption	-	-	-	-	-	79.00	7.4%	84.84	91.63	99.87
Water: Basic levy	-	-	-	-	-	-				
Water: Consumption	-	-	-	-	-	70.98	6.2%	75.38	79.83	84.22
Sanitation	-	-	-	-	-	-				

Refuse removal Other VAT on Services Total small household bill: % increase/-decrease	sub-total	-	-	-	-		-				
		-	-	-	-		-				
		-	-	-	-	-	149.98	-	175.22	187.34	200.85
		-	-	-	-		-				
		-	-	-	-	-	149.98	-	175.22	187.34	200.85
			-	-	-	-		16.8%	6.9%	7.2%	

1.5 Operating Expenditure Framework

The Municipalities' expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and**

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

NC086 Kgatelopele - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Expenditure By Type											
Employee related costs	2	10 273	11 445	10 026	14 865	14 846	14 846	-	18 117	19 014	20 055
Remuneration of councillors		1 779	1 917	2 015	2 142	2 015	2 015		2 639	2 795	2 949
		(8									
Debt impairment	3	305)	5 151	8 867	5 800	5 857	5 857		5 600	9 500	10 013
Depreciation & asset impairment	2	-	10 710	-	5 458	5 458	5 458	-	5 909	6 258	6 602
Finance charges		557	1 582	565	2 440	1 296	1 296		584	618	652
Bulk purchases	2	8 838	10 556	11 828	13 767	13 797	13 797	-	14 868	15 745	16 611
Other materials	8	1 644	1 092	1 766	3 130	2 337	2 337		3 669	3 885	4 114

Contracted services		2 875	2 609	3 900	3 481	3 283	3 283	–	5 307	5 620	5 929
Transfers and grants		5 464	6 387	5 657	4 757	4 757	4 757	–	7 311	7 742	8 168
Other expenditure	4, 5	8 593	8 045	10 671	10 837	13 060	13 060	–	8 642	9 152	14 072
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		31 718	59 494	55 295	66 677	66 706	66 706	–	72 646	80 330	89 167

The budgeted allocation for employee related costs for the 2014/15 financial year totals R18 770 000 and R 1 986 000 for council remuneration, which equals 40 % of the total operating expenditure excluding council remuneration. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a 6.97% increase of the 2014/15 financial year. An annual increase of 7.01% has been included in the two outer years of the MTREF. As part of the municipalities strategy to improve the internal capacity of the municipality the salary budget has been adjusted upwards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Town's budget.

The provision of debt impairment was determined based on an annual collection rate of 80 % and the Debt Write-off Policy of the Town. For the 2013/14 financial year this amount equates to R5 600 000 and escalates to R9 500 000 by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R5 909 000 for the 2014/15 financial and equates to 14.6 % of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

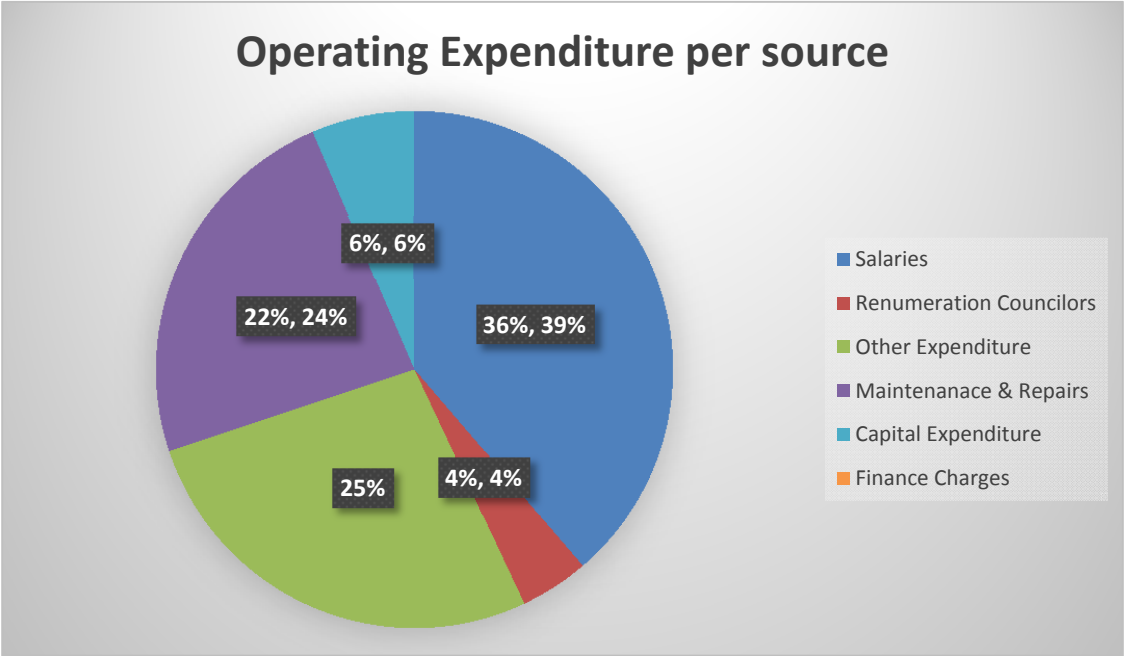
Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure. For 2014/15 the appropriation against this group of expenditure has grown by 12.2 %, the provision in the outer years will realise a further growth in the maintenance and repairs budget.

Contracted services has been identified as a cost saving area for the municipality. The municipality has however identify some short comings with relation to the effectiveness of the server delivery. Costing with regards to taking over the serves proof to not be financially viable for the municipality. The cost of the service provider has been adjusted in line with the forecasted CPI increase of 6.2% for the 2014/15 financial year. Management is to intensify the efforts to implement improved contract management.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6.2% for 2014/15 and curbed at 5.9 % for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table MBRR SA1.

The following graph gives a breakdown of the main expenditure categories for the 2014/15 financial year.

Figure 1 Main operational expenditure categories for the 2014/15 financial year



1.5.1 Priority given to repairs and maintenance and Salaries

The municipality has given priority to the repairs and maintenance and the salaries in order to improve the service provision given to the community of Danielskuil.

Table 10 Operational repairs and maintenance

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Town's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was increased From R3 130 000 to R3 669 000. In relation to the total operating expenditure, repairs and maintenance comprises of 24 % for the respective financial years of the MTREF.

For the 2014/15 financial year, R3 669 000 will be spent on repair and maintenance of infrastructure assets. Electricity infrastructure has received R 1 004 850.00 this allocation totalling 27 %, followed by water at 32 % (R1 167632.18), water at 31 % and sanitation at 24 % (R898 986). Roads Infrastructure assets has been allocated R597 532 of total repairs and maintenance equating to 16 %.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipalities Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

Table 11 2013/14 Medium-term capital budget per vote

NC086 Kgatelopele - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	15 447	96 544	9 373	1 760	1 760	1 760	7 843	7 962	7 452	
Infrastructure - Road transport		14 920	–	–	800	800	800	1 500	1 439	1 439	
<i>Roads, Pavements & Bridges</i>		14 920		–	800	800	800				
<i>Storm water</i>		–	–	–	–			1 500	1 439	1 439	
Infrastructure - Electricity		527	–	9 373	260	260	260	–	–	–	
<i>Generation</i>				–	–						
<i>Transmission & Reticulation</i>		527	–	9 373	200	200	200				
<i>Street Lighting</i>		–	–	–	60	60	60				
Infrastructure - Water		–	–	–	400	400	400	1 720	6 013	6 013	
<i>Dams & Reservoirs</i>		–	–		–			1 720	6 013	6 013	
<i>Water purification</i>					–						
<i>Reticulation</i>					400	400	400				
Infrastructure - Sanitation		–	–	–	300	300	300	–	–	–	
<i>Reticulation</i>		–	–	–	300	300	300				
<i>Sewerage purification</i>				–							
Infrastructure - Other		–	96 544	–	–	–	–	4 623	510	–	
<i>Waste Management</i>		–	–	–				4 623	510	–	
<i>Transportation</i>		–	–	–							
<i>Gas</i>				–							
<i>Other</i>		–	96 544	–							
Community		3	138	–	630	460	460	460	–	–	–
Parks & gardens		7				10	10	10			
Sportsfields & stadia			138		–						
Swimming pools											
Community halls						100	100	100			
Libraries					630						
Recreational facilities											
Fire, safety & emergency					10	10	10				
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries					300	300	300				
Social rental housing	8										
Other					40	40	40				
Heritage assets		–	–	–	–	–	–	–	–	–	
Buildings		–	–	–							

NC086 Kgatelopele - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-								7	7	7
<u>Infrastructure</u>		15 447	96 544	9 373	1 760	1 760	1 760	843	962	452
Infrastructure - Road transport		14 920	-	-	800	800	800	500	439	439
<i>Roads, Pavements & Bridges</i>		14 920	-	-	800	800	800			
<i>Storm water</i>		-	-	-	-	-	-	500	439	439
Infrastructure - Electricity		527	-	9 373	260	260	260	-	-	-
<i>Generation</i>				-	-	-	-			
<i>Transmission & Reticulation</i>		527	-	9 373	200	200	200			
<i>Street Lighting</i>		-	-	-	60	60	60			
Infrastructure - Water		-	-	-	400	400	400	720	013	013
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	720	013	013
<i>Water purification</i>					-	-	-			
<i>Reticulation</i>					400	400	400			
Infrastructure - Sanitation		-	-	-	300	300	300	-	-	-
<i>Reticulation</i>		-	-	-	300	300	300			
<i>Sewerage purification</i>				-						
Infrastructure - Other		-	96 544	-	-	-	-	623	510	-
<i>Waste Management</i>		-	-	-				623	510	-
<i>Transportation</i>	2	-	-	-						
<i>Gas</i>				-						
<i>Other</i>	3	-	96 544	-						
<u>Community</u>		138	-	630	460	460	460	-	-	-
Parks & gardens					10	10	10			
Sportsfields & stadia		138		-						
Swimming pools										
Community halls					100	100	100			
Libraries				630						

Recreational facilities				10	10	10			
Fire, safety & emergency									
Security and policing									
Buses	7								
Clinics									
Museums & Art Galleries									
Cemeteries				300	300	300			
Social rental housing	8								
Other				40	40	40			
<u>Heritage assets</u>									
				-	-	-	-	-	-
Buildings									
Other	9								
<u>Investment properties</u>									
				-	-	-	-	-	-
Housing development									
Other									
<u>Other assets</u>				340	-	0	670	670	670
							432	458	482
General vehicles				138			432	232	246
Specialised vehicles									
Plant & equipment	10			-	-	-	-	-	-
Computers - hardware/equipment									
Furniture and other office equipment				0	20	20	20		
Abattoirs				118	50	50	50		
Markets				20					
Civic Land and Buildings				32					
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other				32	0	400	400	400	226
								236	
<u>Agricultural assets</u>				-	-	-	-	-	-
<i>List sub-class</i>				-	-				
				-	-				
<u>Biological assets</u>				-	-	-	-	-	-
<i>List sub-class</i>				-	-				
				-	-				

<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	15 925	96 544	10 003	2 890	2 890	2 890	275 ⁸	420 ⁸	934 ⁷

Community		12 284	335	630	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia		335	335	-						
Swimming pools										
Community halls										
Libraries		(323)		630						
Recreational facilities		12 272								
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-						
Other	9	-	-	-						
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-					
Other		-	-							
Other assets		3 296	3 467	12 395	-	-	-	432	-	-
General vehicles		2 483	2 483	445				332		
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		137	137	0						
Computers - hardware/equipment		244	244	0				50		
Furniture and other office equipment		387	557	0				50		
Abattoirs										
Markets										
Civic Land and Buildings				11 949						
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		46	46	0						
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-							
		-	-							
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-							
		-	-							
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	133 757	67 297	44 901	-	-	-	8 280	-	-

For 2014/15 financial year and amount of R 432 000.00 has been allocated for the purchase of vehicles and office furniture, this will be funded from own funding.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 12 MBRR Table A1 - Budget Summary

NC086 Kgatelopele - Table A1 Consolidated Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Financial Performance										
Property rates	3 864	3 324	5 494	8 087	8 591	8 591	–	9 550	10 113	10 670
Service charges	19 740	22 354	27 543	31 562	31 225	31 225	–	35 786	37 809	39 906
Investment revenue	–	–	–	26	26	26	–	27	29	31
Transfers recognised - operational	–	–	–	18 842	18 842	18 842	–	20 820	22 048	23 349
Other own revenue	24 224	14 985	22 349	8 159	7 992	7 992	–	7 258	8 990	9 457
Total Revenue (excluding capital transfers and contributions)	47 828	40 663	55 386	66 676	66 676	66 676	–	73 441	78 989	83 413
Employee costs	10 273	11 445	10 026	14 865	14 846	14 846	–	18 117	19 014	20 055
Remuneration of councillors	1 779	1 917	2 015	2 142	2 015	2 015	–	2 639	2 795	2 949
Depreciation & asset impairment	–	10 710	–	5 458	5 458	5 458	–	5 909	6 258	6 602
Finance charges	557	1 582	565	2 440	1 296	1 296	–	584	618	652
Materials and bulk purchases	10 482	11 648	13 594	16 897	16 134	16 134	–	18 537	19 630	20 726
Transfers and grants	5 464	6 387	5 657	4 757	4 757	–	–	7 311	7 742	8 168
Other expenditure	3 163	15 805	23 438	20 118	22 200	22 200	–	19 549	24 272	30 014
Total Expenditure	31 718	59 494	55 295	66 677	66 706	61 949	–	72 646	80 330	89 167
Surplus/(Deficit)	16 110	(18 831)	91	(1)	(30)	4 727	–	795	(1 341)	(5 754)
Transfers recognised - capital	3 631	3 834	–	–	–	–	–	7 843	8 306	8 763
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Capital expenditure & funds sources										
Capital expenditure	15 617	96 544	10 003	22 798	22 798	22 798	–	8 275	8 493	8 009
Transfers recognised - capital	15 617	96 544	9 373	12 798	12 798	12 798	11 597	7 843	7 962	8 104
Public contributions & donations	–	–	630	–	–	–	–	–	–	–
Borrowing	–	–	–	10 000	10 000	10 000	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	432	457	483
Total sources of capital funds	15 617	96 544	10 003	22 798	22 798	22 798	11 597	8 275	8 419	8 587
Financial position										
Total current assets	24 755	21 621	23 404	23 065	19 266	19 266	19 266	33 912	41 843	44 144
Total non current assets	133 927	76 675	83 014	95 639	95 639	95 639	95 639	101 597	86 646	91 411
Total current liabilities	16 512	20 393	14 276	4 953	2 536	2 536	2 536	6 999	4 802	5 066
Total non current liabilities	6 907	4 236	–	3 431	3 431	3 431	3 431	3 644	3 859	4 071
Community wealth/Equity	137	73 667	94 040	110 320	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating	6 949	1 220	11 042	(11 952)	–	–	3 255	2 848	3 016	3 182
Net cash from (used) investing	(15 617)	(96 544)	(9 673)	–	–	–	(9 760)	(7 624)	(8 074)	(8 518)
Net cash from (used) financing	10 932	(2 671)	(2 134)	–	–	–	(53)	(1 284)	(1 360)	(1 435)
Cash/cash equivalents at the year end	7 759	(90 236)	(91 001)	(11 952)	–	–	(6 558)	3 740	(2 677)	(9 448)
Cash backing/surplus reconciliation										

NC086 Kgatelopele - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		3 864	3 324	5 494	8 087	8 591	8 591		9 550	10 113	10 670
<i>less Revenue Foregone</i>											
Net Property Rates		3 864	3 324	5 494	8 087	8 591	8 591	–	9 550	10 113	10 670
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		7 465	11 477	14 973	16 815	15 184	15 184		17 927	18 985	20 029
<i>less Revenue Foregone</i>											
Net Service charges - electricity revenue		7 465	11 477	14 973	16 815	15 184	15 184	–	17 927	18 985	20 029
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		3 128	4 254	5 736	6 337	6 722	6 722		7 842	8 265	8 712
<i>less Revenue Foregone</i>											
Net Service charges - water revenue		3 128	4 254	5 736	6 337	6 722	6 722	–	7 842	8 265	8 712
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		2 650	2 920	2 899	3 475	3 846	3 846		4 054	4 273	4 504
<i>less Revenue Foregone</i>											
Net Service charges - sanitation revenue		2 650	2 920	2 899	3 475	3 846	3 846	–	4 054	4 273	4 504
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		6 497	3 703	3 935	4 935	5 473	5 473		5 964	6 286	6 662
Total landfill revenue											
<i>less Revenue Foregone</i>											
Net Service charges - refuse revenue		6 497	3 703	3 935	4 935	5 473	5 473	–	5 964	6 286	6 662
<u>Other Revenue by source</u>											
Rental of facilities		178	98	26			–		259	349	368
Interest earned - external investment		222	242	318			–		27	29	31
Interest earned -outstanding debtors		–	–	–			–		–	–	–
Dividends received		–	–	–			–		–	–	–

Fines		17	–	31			–		12	12	13
Licences and permits		477	–	(50)			–		405	429	425
Agency services		–	2	–			–		–	–	–
Transfer recognised - operational		14 382	12 918	16 161		–	–		–	1 228	1 296
Other own revenue		8 948	–	5 863	7 424	7 257	7 257		5 466	5 788	6 107
Gains on disposal of PPE		–	1 725	–			–		–	–	–
	3						–				
Total 'Other' Revenue	1	24 224	14 985	22 349	7 424	7 257	7 257	–	6 169	7 836	8 240

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The operating surplus/deficit (after Total Expenditure) realises a surplus for the 2014/15 financial year.
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC086 Kgatelopele - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
<i>Governance and administration</i>		15 421	4 290	24 574	26 543	26 996	26 996	33 530	37 928	40 076
Executive and council		–	3 441	5 494	8 321	8 710	8 710	54	58	61
Budget and treasury office		13 071	–	16 486	17 332	17 387	17 387	32 486	33 613	35 461
Corporate services		2 350	849	2 594	890	899	899	990	4 258	4 554
<i>Community and public safety</i>		1 518	2 074	9 819	7 507	7 620	7 620	750	759	801
Community and social services		1 073	2 046	9 317	6 977	7 074	7 074	167	142	150
Sport and recreation		17	26	7	8	22	22	33	35	37
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		428	2	495	522	525	525	550	582	614
<i>Economic and environmental services</i>		47	763	735	711	719	719	3 375	5 013	5 289
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		47	763	735	711	719	719	3 375	5 013	5 289
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		19 843	22 356	29 795	31 914	31 341	31 341	35 786	44 405	39 906
Electricity		7 465	11 477	17 225	17 002	15 190	15 190	17 927	18 985	20 029
Water		3 231	4 254	5 736	6 429	6 752	6 752	7 842	14 352	8 712
Waste water management		2 650	2 920	2 899	3 518	3 926	3 926	4 054	4 273	4 504
Waste management		6 497	3 705	3 935	4 966	5 473	5 473	5 964	6 796	6 662
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	36 829	29 483	64 923	66 676	66 676	66 676	73 441	88 106	86 072
Expenditure - Standard	-									
<i>Governance and administration</i>		–	–	–	–	–	–	26 489	29 346	29 500
Executive and council		–	–	–	–	–	–	9 203	9 626	10 146
Budget and treasury office		–	–	–	–	–	–	12 999	13 766	14 523
Corporate services		–	–	–	–	–	–	4 287	5 954	4 830
<i>Community and public safety</i>		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–

Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	46 157	48 987	51 954
Electricity		-	-	-	-	-	-	34 003	36 163	38 435
Water		-	-	-	-	-	-	2 696	2 855	3 013
Waste water management		-	-	-	-	-	-	5 750	6 061	6 388
Waste management		-	-	-	-	-	-	3 707	3 907	4 118
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	-	-	-	-	72 646	78 333	81 454
Surplus/(Deficit) for the year		36 829	29 483	64 923	66 676	66 676	66 676	795	9 774	4 619

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by stan

dard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

T able 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC086 Kgatelopele - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
VOTE 1 - Executive and Council		15 364	3 441	5 494	8 321	–	–	54	58	61
VOTE 2 - Budget and Treasury		13 071	15 804	17 286	18 222	–	–	32 486	34 402	36 295
VOTE 3 - Corporative Services		325	36	84	–	–	–	990	5 183	5 463
VOTE 4 - Technical Services		21 630	24 426	31 349	32 978	–	–	35 786	36 487	38 493
VOTE 5 - Community and Social Services		1 067	789	8 918	7 154	–	–	4 125	2 774	3 011
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	51 457	44 496	63 131	66 675	–	–	73 441	78 904	83 323

Table A3 Continued :

Expenditure by Vote to be appropriated	1									
VOTE 1 - Executive and Council		4 709	5 207	13 137	11 578	-	-	9 203	9 626	10 146
VOTE 2 - Budget and Treasury		4 938	19 806	19 296	22 465	-	-	12 999	13 766	14 523
VOTE 3 - Corporative Services		-	-	-	-	-	-	-	-	-
VOTE 4 - Technical Services		20 464	26 455	24 797	27 610	-	-	46 157	48 987	51 954
VOTE 5 - Community and Social Services		1 607	7 947	5 112	4 459	-	-	4 286	7 951	8 392
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	31 718	59 415	62 342	66 112	-	-	72 645	80 330	85 016
Surplus/(Deficit) for the year	2	19 739	(14 919)	789	563	-	-	796	(1 426)	(1 693)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 15 Surplus/(Deficit) calculations for the trading services

TRADING SERVICES	2014/2015 Budget Income R	2015/2016 Budget Income R	2016/2017 Budget Income R		2014/2015 Budget Expense R	2015/2016 Budget Expense R	2016/2017 Budget Expense R	2014/2015 Surplus/ (Deficit) R
66 SOLID WASTE (REFUSE)	5 964 000	6 286 000	6 662 000	-	3 707 000	3 907 000	4 118 000	(2 257000)
84 ELECTRICITY	17 927 000	18 985 000	20 029 000		17 259 963	18 515 739	19 835 006	(668 000)
93 SEWERAGE	4 054 000	4 273 000	4 504 000		5 750 000	6 061 000	6 388 000	1 696000
94 WATER	7 842 000	6 961 837	8 712 000		2 696 000	2 855 000	3 013 000	(5146000)

- The electricity trading surplus is R668 000 in 2014/15. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 252%. This is due to own bulk water supply out of boreholes.
- Note that the surpluses on these trading accounts are utilised as an internal funding source for the other services.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC086 Kgatelopele - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
<u>Revenue By Source</u>											
Property rates	2	3 864	3 324	494	8 087	8 591	8 591	–	9 550	10 113	10 670
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	7 465	11 477	973	16 815	15 184	15 184	–	17 927	18 985	20 029
Service charges - water revenue	2	3 128	4 254	736	6 337	6 722	6 722	–	7 842	8 265	8 712
Service charges - sanitation revenue	2	2 650	2 920	899	3 475	3 846	3 846	–	4 054	4 273	4 504
Service charges - refuse revenue	2	6 497	3 703	935	4 935	5 473	5 473	–	5 964	6 286	6 662
Service charges - other		–	–	–	–	–	–		–	–	–
Rental of facilities and equipment		–	–	–	24	24	24		259	274	289
Interest earned - external investments		–	–	–	26	26	26		27	29	31
Interest earned - outstanding debtors		–	–	–	–	–	–		–	–	–
Dividends received		–	–	–	–	–	–		–	–	–
Fines		–	–	–	11	11	11		12	12	13
Licences and permits		–	–	–	700	700	700		405	429	452
Agency services		–	–	–	–	–	–		414	439	463
Transfers recognised - operational		–	–	–	18 842	18 842	18 842		20 820	22 048	23 349
Other revenue	2	24 224	14 985	349	7 424	7 257	7 257	–	6 169	7 836	8 240
Gains on disposal of PPE		–	–	–	–	–	–		–	–	–
Total Revenue (excluding capital transfers and contributions)		47 828	40 663	55 386	66 676	66 676	66 676	–	73 441	78 989	83 413
<u>Expenditure By Type</u>	-										
Employee related costs	2	10 273	11 445	026	14 865	14 846	14 846	–	18 117	19 014	20 055
Remuneration of councillors		1 779 (8)	1 917	015	2 142	2 015	2 015		2 639	2 795	2 949
Debt impairment	3	305)	5 151	867	5 800	5 857	5 857		5 600	9 500	10 013
Depreciation & asset impairment	2	–	10 710	–	5 458	5 458	5 458	–	5 909	6 258	6 602

Finance charges		557	1 582	565	2 440	1 296	1 296		584	618	652
Bulk purchases	2	8 838	10 556	828	13 767	13 797	13 797	–	14 868	15 745	16 611
Other materials	8	1 644	1 092	766	3 130	2 337	2 337		3 669	3 885	4 114
Contracted services		2 875	2 609	900	3 481	3 283	3 283	–	5 307	5 620	5 929
Transfers and grants		5 464	6 387	657	4 757	4 757	4 757	–	7 311	7 742	8 168
Other expenditure	4, 5	8 593	8 045	671	10 837	13 060	13 060	–	8 642	9 152	14 072
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		31 718	59 494	55 295	66 677	66 706	66 706	–	72 646	80 330	89 167
Surplus/(Deficit)		16 110	(18 831)	91	(1)	(30)	(30)	–	795	(1 341)	(5 754)
Transfers recognised - capital		3 631	3 834	–	–	–	–	–	7 843	8 306	8 763
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		19 741	(14 997)	91	(1)	(30)	(30)	–	8 638	6 964	3 009
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		19 741	(14 997)	91	(1)	(30)	(30)	–	8 638	6 964	3 009
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		19 741	(14 997)	91	(1)	(30)	(30)	–	8 638	6 964	3 009
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		19 741	(14 997)	91	(1)	(30)	(30)	–	8 638	6 964	3 009

NC086 Kgatelopele - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	3 864	3 324	5 494	8 087	8 591	8 591	–	9 550	10 113	10 670
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	7 465	11 477	14 973	16 815	15 184	15 184	–	17 927	18 985	20 029
Service charges - water revenue	2	3 128	4 254	5 736	6 337	6 722	6 722	–	7 842	8 265	8 712
Service charges - sanitation revenue	2	2 650	2 920	2 899	3 475	3 846	3 846	–	4 054	4 273	4 504
Service charges - refuse revenue	2	6 497	3 703	3 935	4 935	5 473	5 473	–	5 964	6 286	6 662
Service charges - other		–	–	–	–	–	–		–	–	–
Rental of facilities and equipment		–	–	–	24	24	24		259	274	289
Interest earned - external investments		–	–	–	26	26	26		27	29	31
Interest earned - outstanding debtors		–	–	–	–	–	–		–	–	–
Dividends received		–	–	–	–	–	–		–	–	–
Fines		–	–	–	11	11	11		12	12	13
Licences and permits		–	–	–	700	700	700		405	429	452
Agency services		–	–	–	–	–	–		414	439	463
Transfers recognised - operational		–	–	–	18 842	18 842	18 842		20 820	22 048	23 349
Other revenue	2	24 224	14 985	22 349	7 424	7 257	7 257	–	6 169	7 836	8 240
Gains on disposal of PPE		–	–	–	–	–	–		–	–	–
Total Revenue (excluding capital transfers and contributions)		47 828	40 663	55 386	66 676	66 676	66 676	–	73 441	78 989	83 413

Table A4: Continue.....

NC086 Kgatelopele - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										

Expenditure By Type											
Employee related costs	2	10 273	11 445	10 026	14 865	14 846	14 846	–	18 117	19 014	20 055
Remuneration of councillors		1 779	1 917	2 015	2 142	2 015	2 015		2 639	2 795	2 949
Debt impairment	3	(8 305)	5 151	8 867	5 800	5 857	5 857		5 600	9 500	10 013
Depreciation & asset impairment	2	–	10 710	–	5 458	5 458	5 458	–	5 909	6 258	6 602
Finance charges		557	1 582	565	2 440	1 296	1 296		584	618	652
Bulk purchases	2	8 838	10 556	11 828	13 767	13 797	13 797	–	14 868	15 745	16 611
Other materials	8	1 644	1 092	1 766	3 130	2 337	2 337		3 669	3 885	4 114
Contracted services		2 875	2 609	3 900	3 481	3 283	3 283	–	5 307	5 620	5 929
Transfers and grants		5 464	6 387	5 657	4 757	4 757	–	–	7 311	7 742	8 168
Other expenditure	4, 5	8 593	8 045	10 671	10 837	13 060	13 060	–	8 642	9 152	14 072
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		31 718	59 494	55 295	66 677	66 706	61 949	–	72 646	80 330	89 167
Surplus/(Deficit)		16 110	(18 831)	91	(1)	(30)	4 727	–	795	(1 341)	(5 754)
Transfers recognised - capital		3 631	3 834	–	–	–	–		7 843	8 306	8 763
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		19 741	(14 997)	91	(1)	(30)	4 727	–	8 638	6 964	3 009

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R73 441 000 in 2014/15 and escalates to R80 330 000 by 2015/16. This represents a year-on-year increase of 5.9 % for the 2015/16 financial year.
2. Revenue to be generated from property rates is R9 550 000 in the 2014/15 financial year and increases to R10 113 000 by 2015/16 which represents 13 % of the operating revenue base of the Town and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6.2 %, 5.9%, 5.5% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R35 787 000 for the 2014/15 financial year and increasing to R37 809 by 2015/16.
4. Bulk purchases have significantly increased over the 2009/10 to 2014/15 period maintenance makes up a 12.5% of the total operating income of the municipality.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NC086 Kgatelopele - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

<u>Capital Expenditure - Standard</u>											
<i>Governance and administration</i>		138	-	-	-	-	334	-	232	246	259
Executive and council		118	-	-	-	-	334	-	132	140	147
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		20	-	-	-	-	-	-	100	106	112
<i>Community and public safety</i>		32	96 544	630	3 900	3 900	133	7 697	200	-	-
Community and social services		32	96 544	630	-	-	133	7 697	200	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	3 900	3 900	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14 920	-	-	-	-	-	-	1 500	1 589	1 682
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		14 920	-	-	-	-	-	-	1 500	1 589	1 682
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		527	-	9 373	13 898	13 898	-	-	6 346	6 720	7 090
Electricity		527	-	-	-	-	-	-	-	-	-
Water		-	-	9 373	7 645	7 645	-	-	1 723	1 824	1 925
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	6 253	6 253	-	-	4 623	4 896	5 165
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	15 617	96 544	10 003	17 798	17 798	467	7 697	8 278	8 555	9 031
<u>Funded by:</u>											
National Government		15 617	10 710	9 373	8 898	8 898	-	7 697	7 843	8 306	8 763
Provincial Government		-	-	-	3 900	3 900	-	3 900	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	85 834	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	15 617	96 544	9 373	12 798	12 798	-	11 597	7 843	8 306	8 763
Public contributions & donations	5	-	-	630	-	-	-	-	-	-	-
Borrowing	6	-	-	-	10 000	10 000	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	432	457	483
Total Capital Funding	7	15 617	96 544	10 003	22 798	22 798	-	11 597	8 275	8 763	9 245

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R8 275 000 for the 2014/15 financial year and remains relatively constant over the MTREF.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Town. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers and borrowing. For the 2014/15 financial year the municipality is funded from provincial treasury and will contribute from own funding for the purchase of office equipment and vehicles.
5. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 18 MBRR Table A6 - Budgeted Financial Position

NC086 Kgatelopele - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Current assets											
Cash		7 758	9 339	7 700							
Call investment deposits	1	–	–	–	6 694	6 694	6 694	6 694	9 800	10 378	10 949
Consumer debtors	1	10 334	9 143	8 911	12 572	12 572	12 572	12 572	24 112	31 465	33 195
Other debtors		6 663	3 139	6 793	3 799						
Current portion of long-term receivables		–	–	–	–						
Inventory	2	–	–	–	–						
Total current assets		24 755	21 621	23 404	23 065	19 266	19 266	19 266	33 912	41 843	44 144
Non current assets											
Long-term receivables		–	–	–	–						
Investments		–	–	–	–						
Investment property		–	–	–	–						
Investment in Associate		–	–	–	–						
Property , plant and equipment	3	133 927	76 675	82 947	95 639	95 639	95 639	95 639	101 597	86 646	91 411
Agricultural		–	–	–	–						
Biological		–	–	–	–						
Intangible		–	–	67	–						
Other non-current assets		–	–	–	–						
Total non current assets		133 927	76 675	83 014	95 639	95 639	95 639	95 639	101 597	86 646	91 411
TOTAL ASSETS		158 682	98 296	106 418	118 704	114 905	114 905	114 905	135 509	128 488	135 555
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–						
Borrowing	4	1 272	–	1 896	1 536	1 536	1 536	1 536	1 284	1 360	1 435
Consumer deposits		260	272	339	289						
Trade and other payables	4	14 254	18 191	10 111	1 000	1 000	1 000	1 000	5 715	3 442	3 631
Provisions		726	1 930	1 930	2 128						
Total current liabilities		16 512	20 393	14 276	4 953	2 536	2 536	2 536	6 999	4 802	5 066
Non current liabilities											
Borrowing		6 907	4 236	–	3 431	3 431	3 431	3 431	3 644	3 859	4 071
Provisions		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		6 907	4 236	–	3 431	3 431	3 431	3 431	3 644	3 859	4 071
TOTAL LIABILITIES		23 419	24 629	14 276	8 384	5 967	5 967	5 967	10 643	8 660	9 137
NET ASSETS	5	135 263	73 667	92 142	110 320	108 938	108 938	108 938	124 866	119 828	126 419
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		137	73 667	94 040	110 320						
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–						
TOTAL COMMUNITY WEALTH/EQUITY	5	137	73 667	94 040	110 320	–	–	–	–	–	–

NC086 Kgatelopele - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		-	-	-	6 694	6 694	6 694	6 694	9 800	10 378	10 949
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	6 694	6 694	6 694	6 694	9 800	10 378	10 949
<u>Consumer debtors</u>											
Consumer debtors		10 334	9 143	8 911	12 572	12 572	12 572	12 572	29 712 (5 600)	31 465	33 195
<u>Less: Provision for debt impairment</u>											
Total Consumer debtors	2	10 334	9 143	8 911	12 572	12 572	12 572	12 572	24 112	31 465	33 195
<u>Debt impairment provision</u>											
Balance at the beginning of the year		-	(10 100)	(7 035)	(503)	(503)	(503)	(503)	(2 028)	(2 148)	(2 266)
Contributions to the provision		(10 100)	(5 151)	(5 151)	(8 867)	(1 469)	(1 469)	(1 469)	(5 600)	(5 930)	(6 257)
Bad debts written off		-	8 217	8 000	4 000	4 000	4 000	4 000	-		
Balance at end of year		(10 100)	(7 035)	(4 186)	(5 370)	2 028	2 028	2 028	(7 628)	(8 078)	(8 522)
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		133 927	76 675	82 947	95 639	95 639	95 639	95 639	101 597	86 646	91 411
Leases recognised as PPE											
<u>Less: Accumulated depreciation</u>											
Total Property, plant and equipment (PPE)	2	133 927	76 675	82 947	95 639	95 639	95 639	95 639	101 597	86 646	91 411
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 272	-	1 896	1 536	1 536	1 536	1 536	1 284	1 360	1 435
Total Current liabilities - Borrowing		1 272	-	1 896	1 536	1 536	1 536	1 536	1 284	1 360	1 435
<u>Trade and other payables</u>											

Trade and other creditors		14 254	18 191	10 111	1 000	1 000	1 000	1 000	3 250	3 442	3 631
Unspent conditional transfers									2 465	-	-
VAT									-	-	-
Total Trade and other payables	2	14 254	18 191	10 111	1 000	1 000	1 000	1 000	5 715	3 442	3 631
Non current liabilities - Borrowing											
Borrowing	4	6 907	4 236	-	3 431	3 431	3 431	3 431	3 644	3 859	4 071
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		6 907	4 236	-	3 431	3 431	3 431	3 431	3 644	3 859	4 071
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

NC086 Kgatelopele - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		33 224	4 158	28 076	35 856			4 238	32 625	34 550	36 450
Government - operating	1	18 012	12 918	18 581	18 842			15 808	20 828	22 057	23 270
Government - capital	1	–	3 834	9 673	–			9 373	7 843	8 306	8 763
Interest		222	242	318	–			53	27	29	30
Dividends		–	–	–	26			–	–	–	–
Payments											
Suppliers and employees		(38 200)	(18 350)	(39 384)	(59 479)			(23 948)	(50 580)	(53 564)	(56 510)
Finance charges		(557)	(1 582)	(565)	(2 440)			(2 269)	(584)	(618)	(652)
Transfers and Grants	1	(5 752)	–	(5 657)	(4 757)			–	(7 311)	(7 742)	(8 168)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 949	1 220	11 042	(11 952)	–	–	3 255	2 848	3 016	3 182
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–			–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–			–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–			–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–			–	–	–	–
Payments											
Capital assets		(15 617)	(96 544)	(9 673)	–			(9 760)	(7 624)	(8 074)	(8 518)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(15 617)	(96 544)	(9 673)	–	–	–	(9 760)	(7 624)	(8 074)	(8 518)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–			–	–	–	–
Borrowing long term/refinancing		10 932	–	–	–			–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–			–	–	–	–
Payments											
Repay ment of borrowing		–	(2 671)	(2 134)	–			(53)	(1 284)	(1 360)	(1 435)
NET CASH FROM/(USED) FINANCING ACTIVITIES		10 932	(2 671)	(2 134)	–	–	–	(53)	(1 284)	(1 360)	(1 435)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	5 495	7 759	(90 236)				–		(6 060)	(12 477)
Cash/cash equivalents at the year end:	2	7 759	(90 236)	(91 001)	(11 952)	–	–	(6 558)	(6 060)	(12 477)	(19 248)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. Table A7 needs to be refined

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC086 Kgatelopele - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	7 759	(90 236)	(91 001)	(11 952)	–	–	(6 558)	(6 060)	(12 477)	(19 248)
Other current investments > 90 days		(1)	99 575	98 701	18 646	6 694	6 694	13 252	15 860	22 855	30 197
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		7 758	9 339	7 700	6 694	6 694	6 694	6 694	9 800	10 378	10 949
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	2 465	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	2 447	16 935	2 150	(11 278)	1 000	1 000	1 000	(11 707)	(15 659)	(16 524)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		2 447	16 935	2 150	(11 278)	1 000	1 000	1 000	(9 242)	(15 659)	(16 524)
Surplus(shortfall)		5 311	(7 596)	5 550	17 972	5 694	5 694	5 694	19 042	26 037	27 473

Notes TABLE A (8)

This table needs to be refined.

Table A (9)

NC086 Kgatelopele - Table A9 Consolidated Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	15 925	96 544	10 003	2 890	2 890	2 890	8 275	8 420	7 934
Infrastructure - Road transport		14 920	–	–	800	800	800	1 500	1 439	1 439
Infrastructure - Electricity		527	–	9 373	260	260	260	–	–	–
Infrastructure - Water		–	–	–	400	400	400	1 720	6 013	6 013
Infrastructure - Sanitation		–	–	–	300	300	300	–	–	–
Infrastructure - Other		–	96 544	–	–	–	–	4 623	510	–
Infrastructure		15 447	96 544	9 373	1 760	1 760	1 760	7 843	7 962	7 452
Community		138	–	630	460	460	460	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	340	–	0	670	670	670	432	458	482
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	–	–	–	2 990	2 990	2 990	8 275	8 420	7 934
Infrastructure - Road transport		–	–	–	800	800	800	1 500	1 439	1 439
Infrastructure - Electricity		–	–	–	260	260	260	–	–	–
Infrastructure - Water		–	–	–	400	400	400	1 720	6 013	6 013
Infrastructure - Sanitation		–	–	–	300	300	300	–	–	–
Infrastructure - Other		–	–	–	–	–	–	4 623	510	–
Infrastructure		–	–	–	1 760	1 760	1 760	7 843	7 962	7 452
Community		–	–	–	520	520	520	–	–	–
Heritage assets		–	–	–	40	40	40	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	670	670	670	432	458	482
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		14 920	–	–	1 600	1 600	1 600	3 000	2 878	2 878
Infrastructure - Electricity		527	–	9 373	520	520	520	–	–	–
Infrastructure - Water		–	–	–	800	800	800	3 440	12 026	12 026
Infrastructure - Sanitation		–	–	–	600	600	600	–	–	–
Infrastructure - Other		–	96 544	–	–	–	–	9 246	1 020	–
Infrastructure		15 447	96 544	9 373	3 520	3 520	3 520	15 686	15 924	14 904
Community		138	–	630	980	980	980	–	–	–
Heritage assets		–	–	–	40	40	40	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		340	–	0	1 340	1 340	1 340	864	916	964
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–

Table A10 - Basic Service Delivery Measurement

NC086 Kgatelopele - Table A10 Consolidated basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		2 631	2 918	3 064	3 156			675	715	754
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		2 631	2 918	3 064	3 156	-	-	675	715	754
Using public tap (< min.service level)	3							-	-	-
Other water supply (< min.service level)	4	6 740	6 740	674 000	687 000			1 051	1 113	1 174
No water supply								-	-	-
<i>Below Minimum Service Level sub-total</i>		6 740	6 740	674 000	687 000	-	-	1 051	1 113	1 174
Total number of households	5	9 371	9 658	677 064	690 156	-	-	1 726	1 828	1 928
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		231 000	2 598 000	2 598 000	2 676 000			3 106	3 289	3 470
Flush toilet (with septic tank)		266 000	266 000	266 000	274 000			282	299	315
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		191 000	141 000	141 000	1 545 000			150	159	168
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		688 000	3 005 000	3 005 000	4 495 000	-	-	3 538	3 747	3 953
Bucket toilet		2 818 000	3 005 000	3 005 000	3 095 000	-	-	3 188	3 376	3 562
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 818 000	3 005 000	3 005 000	3 095 000	-	-	3 188	3 376	3 562
Total number of households	5	3 506 000	6 010 000	6 010 000	7 590 000	-	-	6 726	7 123	7 515
<u>Energy:</u>										
Electricity (at least min.service level)		601 000	621 000	621 000	640 000			659	698	736
Electricity - prepaid (min.service level)								-	-	-
<i>Minimum Service Level and Above sub-total</i>		601 000	621 000	621 000	640 000	-	-	659	698	736
Electricity (< min.service level)		411 000	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		2 484 000	2 895 000	2 895 000	2 982 000	-	-	3 421	3 623	3 822
Other energy sources								-	-	-
<i>Below Minimum Service Level sub-total</i>		2 895 000	2 895 000	2 895 000	2 982 000	-	-	3 421	3 623	3 822
Total number of households	5	3 496 000	3 516 000	3 516 000	3 622 000	-	-	4 080	4 321	4 558
<u>Refuse:</u>										
Removed at least once a week		3 411 000	3 516 000	3 516 000	3 621 000			723	766	808
<i>Minimum Service Level and Above sub-total</i>		3 411 000	3 516 000	3 516 000	3 621 000	-	-	723	766	808
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	3 411 000	3 516 000	3 516 000	3 621 000	-	-	723	766	808

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Town continues to make good progress with the delivering of free basic services:
 - a. Water services – 4651 households received an amount of R2 277 000 for the 2014/15 budget year
 - b. Sanitation services – 6726 households received an amount of R2 177 000 for the 2014/15 budget year
 - c. Electricity services – 4080 households received an amount of R835 000 for the 2014/15 budget year
 - d. Refuse services – 4080 households received an amount of R1 867 000 for the 2014/15 budget year
3. The budget provides for 2500 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services.
4. It is anticipated that these Free Basic Services will cost the municipality R7 113 000 in 2014/15. This is covered by the municipality's equitable share allocation from national government.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipalities IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule. Which contains key dates applicable to the process were:

The proposed budget time schedule for the 2013/14 Budget year is as follows:

2012/13 IDP AND BUDGET PROCESS TIME-SCHEDULE

FOR THE APPROVAL OF THE 2014/15 IDP, BUDGET AND SDBIP

Required in terms of Section 21(1)(b) of the MFMA

Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
1	Jun 2013	Assess the 2012/13 IDP & Budget process to address deficiencies, improvements and ensure integration and alignment of processes for 2013/2014 - 2017/2018	IDP Office	IDP Manager & Chief Financial Officer	Internal Process	30 June 2013	
2	July 2013	Draft 2013/14 <i>IDP and Budget process time schedule</i> outlining the steps and timeframes for compilation of the 2013/14 IDP, Budget and two outer year's Budget and SDBIP	IDP Office	IDP Manager & Chief Financial Officer	MFMA S21(1)(b)	15 July 2013	
3		Municipal Strategic Session to deliberate on (a) the 20/ 30 year Spatial Development Plan (SDP) and (b) high level strategic issues to redefine Council's short term Strategic Agenda to implement SDP.	Office of the MM	Municipal Manager Directors Executive Mayor Exco Members	Internal Process	19 and 20 July 2013	
4		Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP and Budget Assessments, Challenges and District Interventions i.t.o IDP and budget planning for	IDP Office	IDP Manager	Internal Process	23 July 2013	

		the review process.					
5		Ward Committee Meetings to review the prioritisation of community needs in approved IDP and discuss the process for developing Neighbourhood Plans: Communicate final approved 13/14 Budget, Tariffs and IDP to Ward Committees.	Office of the Speaker	Speaker	MSA	24 July 2013	
6		Consider MEC comments and recommendations on assessment of initial IDP Document and IDP processes followed.	IDP Office	Municipal Manager Directors IDP Manager	MSA S21	31 July 2013	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
7	Jul 2013	Signing of 2013/14 performance contracts for Section 57 Managers and Submission to the Mayoral Committee Signing of lower levels staff performance agreements.	Office of the MM	Municipal Manager	MFMA S53(1)(c)(iii)	31 July 2013	
8		Prepare and finalise Departmental Plans	All Departments	Municipal Manager Directors	Internal Process	31 July 2013	
9		Final Section 57 Managers 2012/13 Performance Assessments Final Performance Assessments of lower level staff	MM	Municipal Manager Executive Mayor	MSA and MFMA	31 July 2013	
10		Finalise logistic processes in respect of each of the IDP and budget meetings and table a business plan to Management in this regard.	IDP Office	IDP Manager	Internal Process	31 July 2013	

11	Aug 2013	Convene IDP and Budget Steering Committee Meeting. (Dry Run) Final Discussion of Public Participation Meeting Processes.	IDP Office	IDP Manager	MSA Ch 5	8 August 2013	
12		Operational Budget: Salary/Wages schedules to Directors for scrutiny & Corrections	BTO	CFO Directors	Internal Process	17 August 2013	
13		IDP Public Participation Meetings. Communicate Capital Projects per Ward on 13/14 budget, Reconfirm / review service deliver/development priorities.	IDP Office Office of the Speaker	IDP Manager Directors Speaker Ward Councillors Mayor	MSA Ch5 S29	20 – 23 August 2013	
14		Consult Sector Departments to establish programme/Projects for 5 years – Inter-governmental engagements on IDP and Budget	IDP Office BTO	IDP Manager CFO	MSA Ch5 S24	27 – 29 August 2013	
15		Adjustment of Budget Rollovers; changes on SDBIP and KPI'S as per Adjustment Budget	BTO Corporate Services	CFO Director Corporate Services	MFMA S28 MBRR S23	31 August 2013	
16		Tabling of and briefing Council on the Draft 2013/14 IDP/Budget Process Plan for approval, including time schedules for IDP/Budget Public participation meetings.	IDP Office BTO	IDP Manager Chief Financial Officer	MFMA S21(1)(b)	31 August 2013	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments

17	Sep 2013	Advertise the budget process and dates of IDP/Budget Public meetings on Municipal Website, Municipal Newsletter and Local Newspapers	IDP Office	IDP Manager Municipal Manager	MSA and MFMA	3 September 2013	
18		Attend District IDP Managers Forum Meeting. Develop uniform guidelines for IDP/Budget review.	IDP Office	IDP Manager Municipal Manager	Internal Process	3 September 2013	
19		Forward adjustment budget (hard and electronic copies) to National Treasury and Provincial Treasury after approval.	BTO	CFO	MFMA S28(7)	3 September 2013	
20		Review of Municipal Strategic Plan Workshop with Council: Review Municipal KPA and Strategic Objectives	Office of the MM	Municipal Manager Directors Council	Internal Process	3 – 28 September 2013	
21		Operational Budget: Salary/Wages schedules with corrections and recommendations to be returned to Finance Department	All Departments	Directors CFO	Internal Process	28 September 2013	
22		Attend Quarterly Provincial IDP Manager Forum Meeting in preparation for IDP Indaba 2	IDP Office	IDP Manager	Internal Process	28 September 2013	
23	Oct 2013	Two Day Neighbourhood Development Session with Wards to prepare Draft Neighbourhood Development Plans	IDP Office	IDP Manager	Internal Process	1 & 2 October 2013	
24		Directorates to be provided with the previous financial year 5 year Capital Plan in order to be able to indicate any changes that need to be made and identify any new projects that needs to be added for the compilation of the Draft Capital Budget	BTO	CFO Directors	Internal Process	5 October 2013	
25		Ward Committee Meetings: Discuss, scrutinise community needs as outcome of IDP/ Budget public engagement sessions to IDP forum. (IDP forum consolidate requests from all wards where after projects prioritized in line with available	IDP Office	IDP Manager	MSA	8 – 12 October 2013	

		funding over five year period) Escalate community needs relating national/ provincial mandates to relevant organ(s) of state					
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
26	Oct 2013	Review and costing of municipal rates and tariffs. Preparation of tariffs and bulk resource (water (WaterBoard), electricity (NERSA), etc.) engagement documentation. Directors to be provided with the previous year's operating expenditure / income actual and current year projections to be used as a base for new Operating Budget. (CFO will further submit budget guidelines to Budget Steering Committee for approval. Guidelines to include deadline dates by which Directorates have to meet as well as submission of requests per line item with a zero based budget)	BTO	CFO Directors Budget Steering Committee	Internal Process	15 October 2013	
27		Attend District Stakeholders Engagement Session to inform Sector Departments and Stakeholders of IDP/Budget needs analysis.	IDP Office	IDP Manager	Internal Process	16 October 2013	
28		Table Revised Strategic Plan in Council for approval	Office of the MM	Municipal Manager	Internal Process	30 October 2013	
29		Review Municipal Spatial Development Framework	Planning and Development	Director Planning and Development	Internal Process	31 October 2013	
30		Submit Quarterly Report (July 2013 – September 2013) on implementation of budget and financial state of affairs to Council	Office of the MM	Executive Mayor	MFMA S52(d)	31 October 2013	

31		Engagements with Provincial Government regarding any adjustments to projected allocations for next 3 years in terms of the MTREF	BTO	CFO Directors	MFMA S28	31 October 2013	
32		Updating and review of strategic elements of IDP in light of the focus of Council	IDP Office	IDP Manager	MSA	31 October 2013	
33	Nov 2013	Operational Budget: Income / Expenditure inputs and statistics to be returned to Budget Office	All Departments	Directors	Internal Process	19 November 2013	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
34	Nov 2013	Directors Identify/Create Projects as outcome of the prioritisation of development needs during IDP public engagements sessions within projected budget allocations.	All Departments	CFO Directors	MSA	5 – 23 November 2013	
35		Convene IDP/ Budget Steering Committee Meeting: Identify projects per Ward with Budget Allocations; prioritise implementation and integration where possible.	IDP Office	IDP Manager IDP Steering Committee	MSA	23 November 2013	
36		Review Municipal Strategies, objectives, KPA's, KPI's and targets. - Identification of priority IDP KPI's incorporate in IDP and link to budget	IDP Manager	IDP Steering Committee CFO	MSA and MFMA	1 – 30 November 2012	
37		Capital Budget: Inputs from the different Directorates to be returned to the Budget Office	All Departments	Directors	Internal Process	30 November 2013	
38		Executive management articulates outcomes,	All Departments	Budget Steering	Internal Process	30 November	

		objectives, priorities and outputs desired for next three years and submit capital budget project proposals for draft IDP Review document to Budget Office		Committee Executive Management		2013	
39		Based on financial statements of 2012/13 determine municipality's financial position & assess its financial capacity & available funding for next three years	BTO	CFO	Internal Process	30 November 2013	
40		Finalise Salary Budget for 2013/2014	BTO	CFO	Internal Process	30 November 2013	
41		Submit Bulk Resource documentation (water (Water Board), electricity (NERSA)) for consultation on municipal tariffs for 2013/14 and the two outer Budget years.	BTO	CFO	Internal Process	30 November 2013	
42	Dec 2013	Finalise preliminary projections on operating revenue and expenditure budget for 2013/2014	BTO	CFO	Internal Process	10 December 2013	
43	Dec 2013	Convene IDP Representative Forum Meeting to give feedback and discuss outcome of Budget steering committee meeting	IDP Office	Municipal Manager IDP Manager CFO	MSA	14 December 2013	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
44	Dec 2013	<i>Workshop 1:</i> draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval	IDP Office	Mayor Municipal Manager	MFMA & MSA	Late November/early December 2013	

		for any adjustments to process.		IDP Manager CFO			
45		Finalise expenditure on operational budget for the budget year and two outer years.	BTO	CFO	Internal Process	21 December 2013	
46		Conclusion of Sector Plans and integration into the IDP document	IDP Office	IDP Manager	MSA	21 December 2013	
47		Finalise departmental Plans and link to IDP	All Departments	IDP Manager Directors	MSA	21 December 2013	
48	Jan 2014	Request and/ or follow-up with Water Board/ NERSA/ other Bulk Service providers for feedback on proposed municipal 2013/14 – 2015/16 tariffs and engagement documentation submitted in Nov 2012	BTO	CFO	MFMA	15 January 2014	
49		Submit Draft IDP, Budget and SDBIP to Director Corporate Services with proposed schedule of Ward Committee Meetings for post IDP & Budget Feedback & Consultation Process	IDP Office	IDP Manager	MSA	18 January 2014	
50		Executive Management finalise the draft IDP & Capital Budget for referral to IDP & Budget Steering Committees. Processes to be followed to be clearly set out in municipality's budget management and implementation policy.	Office of the MM	Municipal Manager Directors	Internal Process	21 January 2014	
51		Tabling of 2013/14 Mid-Year Assessment (to potentially influence 2013/14) to Council	Office of the MM	Municipal Manager Directors	MFMA S72	25 January 2014	
52		Meetings and formal consultation with Bulk Service Providers (ESKOM and relevant Water Board on bulk purchase price increase assumptions	BTO	CFO	MFMA S23	28 & 29 January 2014	
53		Submit Quarterly Report (Oct 2013 – Dec 2013) on implementation of budget and financial state	Office of the MM	Executive Mayor	MFMA S52(d)	30 January 2014	

		of affairs to Council. Consider combining with MFMA S. 72 mid-year performance assessment.					
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
54	Jan 2014	Tabling of 2012/13 Annual Report to Council	Office of the MM	Municipal Manager	MFMA S127(2)	31 January 2014	
55		Convening Budget Steering Committee Meeting for the purpose to discuss and prioritise draft Capital projects for the next three years	Office of the MM	Budget Steering Committee	MSA S29	31 January 2014	
56		Final review of municipal strategies, objectives, KPA's, KPI's and targets	IDP Office	IDP Manager IDP Steering Committee	Internal Process	31 January 2014	
57		Review all budget related policies	BTO	CFO	MBRR 7	2 - 31 January 2014	
58		Adjustment Budget: Finalise Capital and Operational budget projections for 2013/2014	BTO	CFO	MBRR 21	31 January 2014	
59	Feb 2014	Submit Annual Report to Auditor General, Provincial Treasury and COGTA	Office of the MM	Municipal Manager	MFMA S(127)(5)(b)	1 February 2014	
60		Directors Identify projects and forward local Budget Needs priorities to ZFM DM. Project alignment between ZFM DM and Kgatelopele Local Municipality	All Departments	Directors	Internal Process	1 – 8 February 2014	
61		Ward Committee Meetings: Discuss and brief Ward Committees on Council's revised strategic plan, Strategic Objectives and envisaged	IDP Office	IDP Manager	Internal Process	4 – 13 February 2014	

		deliverables.					
62		Review tariffs and charges and determine affordable tariffs and finalise income budget.	BTO	CFO	MFMA s20	15 February 2014	
63	Feb 2014	Attend Provincial IDP INDABA Incorporate Sector Departments Projects in Draft IDP.	IDP Office	IDP Manager Directors	Internal Process	20 February 2014	
64		Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, e.g. Grant Allocations	Office of the MM BTO	Municipal Manager CFO	MFMA21(2)(c)	15 – 22 February 2014	
65		Attend District IDP Managers Forum Meeting to discuss the alignment of IDP Strategic Development Goals with ZFM DM. Draft IDP Presentations.	IDP Office	IDP Manager	Internal Process	25 February 2014	
66		Present Draft IDP and Budget to Steering Committees for quality check	IDP Office BTO	IDP and Budget Steering Committees	MBRR S4	27 February 2014	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
67	Feb 2014	Submit first draft IDP to ZFM DM for Horizontal Project alignment between the ZFM DM and Kgatelopele LM	IDP Office	IDP Manager	Internal Process	28 February 2014	
65		Table Adjustment Budget to Council for approval	Office of the MM	Municipal Manager	MBRR S23	28 February 2014	
66		Amend IDP, SDBIP, KPI's and performance agreements into adjustment budget	Office of the MM	Municipal Manager Directors	MFMA 28	28 February 2014	
67	March	Present Draft IDP and Budget to Steering	IDP Office	IDP and Budget	MBRR 4	6 March 2014	

	2014	Committees for quality Check (Including recommendations / adjustments made at meetings of 27 February 2014)	BTO	Steering Committees			
68		Workshop 2: draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Office BTO	IDP Manager CFO	Internal Process	11 & 12 March 2014	
69		Forward Adjustment Budget (hard and electronic copies) to National and Provincial Treasury after approval	BTO	CFO	MBRR 24	14 March 2014	
70		Publication of approved Adjustment Budget after approval per MSA and on municipal website	BTO	CFO	MBRR 26	14 March 2014	
71		Municipal Manager presents final draft IDP, Budget, SDBIP and Budget related policies to the Mayor for perusal and tabling to Council	Office of the MM	Municipal Manager	Internal Process	18 March 2014	
72		Municipal Manager submit draft IDP, Budget, and Related Policies to Director Corporate Services for inclusion in Council Meeting Agenda	Office of the MM	Municipal Manager	Internal Process	20 March 2014	
73		Table (<i>and briefing of council</i>) draft IDP, Budget, SDBIP and Related policies and proposed schedule of Ward Committee Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)	Office of the MM	Municipal Manager	MFMA S16	28 March 2014	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target &

							Comments
74	Mar 2014	Training workshop for councillors to equip councillors for Public participation meetings.	Office of the MM	Municipal Manager And Sec 57 Managers, etc.	MFMA	29 March 2014	
		Briefing of councillors on logistical arrangements for public participation meetings.					
74		Council to Consider and adopt an oversight report on 2012/13 Annual Report	Office of the MM	Municipal Manager	MFMA S129(1)	28 March 2014	
75	April 2014	Advertise & Inviting public comments on Draft Budget, Proposed Tariffs, and IDP Place copies of Draft Budget and IDP at all municipal buildings.	Corporate Services BTO	Director Corporate Services CFO	MBRR S15 MFMA S22	2 April 2013(Advertise) 2 – 26 April 2014 (public comments)	
76	April 2014	Forward Copy of preliminary approved Budget ,IDP, SDBIP & related documents (hard and electronic copies) to National & Provincial Treasury – 10 working days after tabling	Office of the MM	CFO IDP Manager	MFMA S22(b)	12 April 2013	
77		Attend District IDP Managers Forum- Present Draft IDP for input.	IDP Office	IDP Manager	Internal Process	16 April 2014	
78		Public Consultation Meetings: Feedback / Consultation on preliminary approved IDP & Budget (Details as per Annexure A)	Office of the MM	Municipal Manager Directors	MBRR S15 MFMA S23	15 – 22 April 2014	
79		Engagement with the Provincial Treasury on draft budget benchmark	Office of the MM	Municipal Manager	MFMA Ch 5	24 April 2014	
80		CFO and Director Corporate Service analyse public and Ward Committee comments and inputs on Draft IDP and Budget and prepare recommendations for Council's perusal	Corporate Services BTO	CFO Director Corporate Services	MBRR S16(1)(a)	30 April 2014	
81		Submit Quarterly Report (Jan 2014 – Mar 2014) on implementation of budget and financial state	Office of the MM	Executive Mayor	MFMA s52(d)	30 April 2014	

		of affairs to Council					
82	May 2014	Council considers public and Government Departments comments and inputs and revised IDP, Budget and SDBIP if necessary.	Office of the MM	Municipal Manager	MBRR 16(1)(a)	2 – 10 May 2014	
83		Present Final IDP, Budget and final draft SDBIP to Steering Committees for quality Check (Including recommendations made by all stakeholders and Council)	IDP Office BTO	IDP and Budget Steering Committees	MBRR 4	14 and 15 May 2014	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
84	May 2014	Table final IDP, budget & related documents to Council for approval.	Office of the MM	Municipal Manager	MFMA S24(1)	31 May 2014	
85	June 2014	Inform local community on approved IDP and Budget Detail – Place Newspaper Article and Copies at Libraries	Office of the MM	Municipal Manager	MBRR S18	3 June 2014	
86		Send copy of approved Budget, IDP, & related documents (incl. final draft SDBIP) to National and Provincial Governments and other stakeholders Ensure Signed Quality Certificate as per S5 of MBRR is also attached.	IDP Office BTO	CFO IDP Manager	MFMA S24(3)	14 June 2014	
87		Publication of Approved Budget and IDP within 10 workings days on Municipal Website	BTO IDP Office	CFO IDP Manager	MFMA S75(1)(a)	14 June 2014	
88		Submit draft SDBIP to Mayor within 14 days after approval of budget	Office of the MM	Municipal Manager	MFMA S69(3)(a)	14 June 2014	
89		Mayor approves the municipality's SDBIP within 28 days after the approval of the budget and	Mayor's Office	Executive Mayor	MFMA S(53)(1)(c)(ii)	28 June 2014	

		submit hard and electronic copy to NT and PT					
90		Place approved IDP, budget, SDBIP and related documents on CD for all councillors and distribute.	IDP Office	IDP Manager	Internal Process	28 June 2014	

2. Proposed Schedule for 2013/14 IDP and Budget Public Engagement Sessions

Date	Day	Time	Topic	Ward	Venue	Ward Councillor	Facilitator	Admin Support	Senior Management Representative
15 April 2014	Monday	18H00	Draft Budget & IDP	1	Tlhakalatlou – Community Hall	ClIr Scholar	T Smit/Intern	T Smit/Intern	MM/Corp Manager/CFO
16 April 2014	Tuesday	19H00	Draft Budget &	2	Kuilsville – Community Hall	Clr Joseph	Intern/T Smit	T Smit/Intern	MM/Corp Manager/CFO

			IDP						
17 April 2014	Wednesday	18H00	Ward Committee	3	Danieskuil - City Hall	Clr McCarthy	Intern/T Smit/Mayor Sec	T Smith/Intern/Mayor Sec	MM/Corp Manager
21 April 2014	Thursday	18H00	Ward Committee	4	Lime Acres - Community Hall	Cllr G Kgoronyane	Intern/T Smit/Mayor Sec	T Smit/Intern/Mayor Sec	MM/Corp Manager
22 April 2014	Monday	19H00	IDP Rep Forum		Municipal Chamber/City Hall	G Kgoronyane	Intern/T Smit	T Smit/Intern	MM/Corp Manager/CFO

2.1.2 IDP Implementation Plan

PROCESS PLAN FOR

INTEGRATED DEVELOPMENT PLAN

2012/2013 Review and Planning for 2013/2014

1. INTRODUCTION

The Municipal Systems Act (2000) section 28 1 states that “each Municipal Council within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its Integrated Development Plan” The Municipal Finance Management Act (2003) Section 21 further states that the “Mayor of a Municipality must co-ordinate the processes for preparing the annual budget and for reviewing the Municipality’s Integrated Development Plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible” This process plan will thus indicate the manner in which the Municipality will undertake the first annual review of the 3rd generation of its Integrated Development Plan (IDP). The review of the IDP is necessary, as it allows the Municipality to update its information and evaluate how it is doing in fulfilling its developmental objectives, as envisioned in the Constitution of South Africa.

2. LEGISLATIVE CONTEXT OF THE PROCESS PLAN

2.1 MUNICIPAL SYSTEMS ACT (2000)

In terms of the Municipal Systems Act of 2000, all Municipalities have to undertake an IDP process to produce IDP. The Act further mandates Municipalities to have a Performance Management System in place. These planning tools together with other planning instruments i.e a municipal budget are designed to assist Municipalities to be developmentally oriented and to contribute meaningfully in improving the lives of respective communities. As the aforementioned plans are the legislative requirements they have legal status and supersede all other plans that guide development at Local Government level.

Kgatelopele Municipality has completed its first round of the new 5 year IDP cycle. This was done in terms of Chapter 5 and 6, of the Municipal Systems Act and of the Municipal Finance Management Act of 2003. In terms of Section 34 of the Municipal Systems Act:

Kgatelopele Municipality is currently embarking on the IDP review for 2014/2015. This plan will address, amongst others, the following:-

- a) Comments received from the various role-players in the IDP process, especially the community and the IDP Representative Forum.
- b) Areas requiring additional attention in terms of legislation requirements;
- c) Areas identified through self-assessment;
- d) The review of KPI's (PMS) and alignment of budget;
- e) The update of the 5-year Financial Plan as well as the list of projects;
- f) Identification of new projects;
- g) The continuation of the Sector Plans to be completed;
- h) Implementation of existing projects;
- i) The update of the Spatial Development Framework (SDF) and
- j) The preparation and update of the Sector Plans.

2.2 MUNICIPAL FINANCE MANAGEMENT ACT

Chapter 4, Section 16 (1) and (2) of the Municipal Finance Management Act states that:-

- (1) The Council of the Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.
- (2) In order for the Municipality to comply with subsection (1), the mayor of the Municipality must table the annual budget at the Council meeting at least 90 days before the start of the budget year.

Adding to the above the Act states in Section 21 (1) (b) that:-

b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:-

- (i) The preparation, tabling and approval of the annual budget;
- (ii) the annual review of-
 - (aa) the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act; and
 - (bb) the budget related policies;

- (iii) The tabling and adoption of any amendments to the Integrated Development Plan and the budget-related policies; and
- (iv) Any consultative processes forming part of the processes referred to in subparagraphs (i) (ii) and (iii).

Considering this, it implies that the Mayor must table the budget process before Council, 10 months before the start of the new financial year, therefore by 31 August 2012.

3. ALIGNMENT PROCESS

The Municipal Systems Act stated that development strategies must be aligned with national and provincial sector plans as well as planning requirements. It also establishes that a single inclusive and strategic plan must be adopted which links integrates and coordinates plans

Although alignment was not always reached fully in the previous IDP cycle the Municipality takes the following documents in account in the IDP process.

- Integrates Sustainable Rural Development Programme
- Northern Cape Provincial Growth and Development Strategy
- District Growth and Development Strategy
- National Spatial Development Perspective
- National Development Plan (Vision 2030)
- Northern Cape Provincial Spatial Development Framework (NC PSDF)

Besides the alignment with National, Provincial and District Programmes and policies internal alignment is also reached in the process plan, aligning the budget, the PMS and the IDP. This plan is also aligned with the District Process and Framework Plan. Doing this provides the linkage and binding relationships between the District and Local Municipalities in the region.

4. COMMUNITY PARTICIPATION

The Municipal Systems Act (2000), section 16 and 17 are very explicit on the need for community participation. The Municipal Systems Act section 16, indicates that a participatory system of governance is necessary to “encourage, create conditions for the local community to participate in the affairs of the Municipality. The Kgatelopele Municipality aims to encourage this participatory system of governance, by having area based and ward base meeting , where communities will be able to indicate what their priorities are in the Ward. This will also be strengthened by IDP Representative Forum, where different groups’ view and needs will be represented.

5. ORGANISATIONAL ARRANGEMENT

The IDP is the principal, strategic document of the Municipality, given its status, different individual / groups must play a role in making sure that it's a document that represent the hope and aspirations of the people residing in the municipal areas.

Role Players	<ul style="list-style-type: none"> • Role and responsibilities
IDP Steering Committee	<ul style="list-style-type: none"> • Assumes the role of the political champion Councillors of the process (this is particularly important and critical as it allows for the Councillors to take ownership of the IDP process). • Form the link between Management and the Representative Forum
Municipal Manager	<ul style="list-style-type: none"> • Overall responsibility for the IDP
IDP Manager	<p>Responsible for managing the IDP process through</p> <ul style="list-style-type: none"> • Facilitating the IDP process, • Coordinating IDP related activities including capacity building programmes, • Facilitating reporting and the documentation thereof, • Providing secretariat functions for the IDP Steering Committee and the Representative Forum
Financial Manager	<p>Ensures that the municipal budget is linked to the IDP</p> <p>Responsible for:-</p> <ul style="list-style-type: none"> • Coordinating the budget implementation in a manner aimed at addressing the issues raised in the IDP • Development of the 3-year integrated financial plan
IDP Steering Committee	<p>The technical working team, also the “<i>drivers of the bus</i>”, consists of members of whom are departmental managers, 1 IDP Coordinator and 4 are Councillors. (3 Councillors and the Mayor)</p> <ul style="list-style-type: none"> • This Committee teams regularly. It is chaired by the IDP Manager. • It is responsible for IDP processes, resources and outputs • It oversees the monthly status reports that are received from departments • It makes recommendations to Council

	<ul style="list-style-type: none"> • It oversees the meetings of the IDP Representative Forum • The Committee is responsible for the process of integration and alignment
IDP Representative Forum	<p>20 Representatives from local organizations and communities</p> <ul style="list-style-type: none"> • It forms the interface for community participation in the affairs of the Council, • Operates on consensus basis in the determination of priority issues for the municipal area • Participates in the annual IDP review process • All the wards within the municipal area are represented on this forum through the Ward Committee members (2 per Ward)
Budget Steering Committee	<p>The Budget Steering Committee is responsible for the budget process.</p> <p>The composition of the Budget Steering Committee is as follows:-</p> <ul style="list-style-type: none"> • Mayor • Chairperson Finance Committee • Municipal Manager • Financial Manager • Corporate Service Manager • IDP Coordinator • Councillors will be co-opted, when necessary to smoothen the process. • Ward Committees • Local Business Chamber • Local Farmers Union • IDP Rep Forum

2.1.3 Community Consultation

The draft 2014/15 MTREF as tabled before Council on 27 March 2014 for community consultation will be published on the municipality's website and in local newspapers, and hard copies were made available at the library. The opportunity to give electronic feedback was also communicated on the Town's website.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Town, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Town strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Town's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIS);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;

- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide town planning services; and
 - Maintaining the infrastructure of the Town.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Town;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective town cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - o Optimising effective community participation in the ward committee system; and
 - o Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - o Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - o Reviewing the use of contracted services
 - o Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - o Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Town. The five-year programme responds to the development challenges and opportunities faced by the Town by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Town undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Town so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Town's IDP, associated sectorial plans and strategies, and the allocation of resources of the Town and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Town;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 21 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NC086 Kgatelopele - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Subtainable Services	Total Property Rates			3 864	3 324	6 009	8 087			9 550	10 113	10 670
Subtainable Services	Service Charges - Electricity			7 465	11 477	13	16 815			17 927	18 985	20 029
Subtainable Services	Service Charges - Water			3 231	4 254	5 736	6 337			7 842	8 265	8 712
Subtainable Services	Service Charges - Sanitation			2 650	2 920	2 899	3 475			4 054	4 273	4 504
Subtainable Services	Service Charges - Refuse			6 497	3 703	3 935	4 935			5 964	6 286	6 662
Good Governance	Rental of Facilities and Equipment			178	98	26	24			259	349	368
Good Governance	Library			152	24	438	11					
Good Governance	Interest earned - External Investment			222	242	57	26			27	29	31
Good Governance	Finance			7 489	193	259	991			26 829	30 204	36 295
Good Governance	Information Technical			–	790	800	890			990	1 048	1 106
Good Governance	Parks & Recreation			17	26	7	8					
Good Governance	Cemetary			12	11	10	10					
Good Governance	Technical Services			850	–	2 665	–					
Good Governance	Public Services			325	23	1 025	943					
Good Governance	Muicipali Building			–	70	84	14				349	368
Good Governance	Licences, Fines										429	425
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	32 952	27 155	23 963	42 566	–	–	73 441	80 330	89 168

References

Table 22 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC086 Kgatelopele - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Sustainable Service	Water			1 046	950	2 740	1 517	1 517	1 517	2 696	2 953	3 115
Sustainable Service	Electricity, Street Lights			6 827	9 917	13 354	13 838	13 838	13 838	31 322	34 298	36 184
Sustainable Service	Waste Water Management Sewerage			1 173	1 397	3 338	1 741	1 741	1 741	5 750	6 296	6 643
Sustainable Service	Waste Management Refuse			2 742	3 384	2 909	3 360	3 360	3 360	3 707	4 059	4 283
Sustainable Service	Health			217	232	185	496	496	496	550	602	635
Sustainable Service	Public Works			1 729	2 044	1 197	2 038	2 038	2 038	1 500	1 643	1 733
Sustainable Service	Cementries			34	36	77	183	183	183		–	–
Sustainable Service	Municipal Building, Properties			265	334	81	387	387	387		–	–
Good Governance	Executive & Council			9 566	3 794	3 336	3 544	3 544	3 544	3 495	3 827	4 038
Good Governance	Municipal Manager			1 459	915	1 871	1 848	1 848	1 848	5 708	6 250	6 594
Good Governance	Human Resource, LED,IDP, Corporate Services, Technical Services			1 358	2 134	8 461	4 400	4 400	4 400	4 917	5 384	5 680
Good Governance	Financial Management - Chief Financial Officer, Budget &			2 468	4 938	19 806	19 269	19 269	19 269	12 999	14 234	15 017

Table 23 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

To be complete

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Town has not yet developed and implemented a performance management system.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

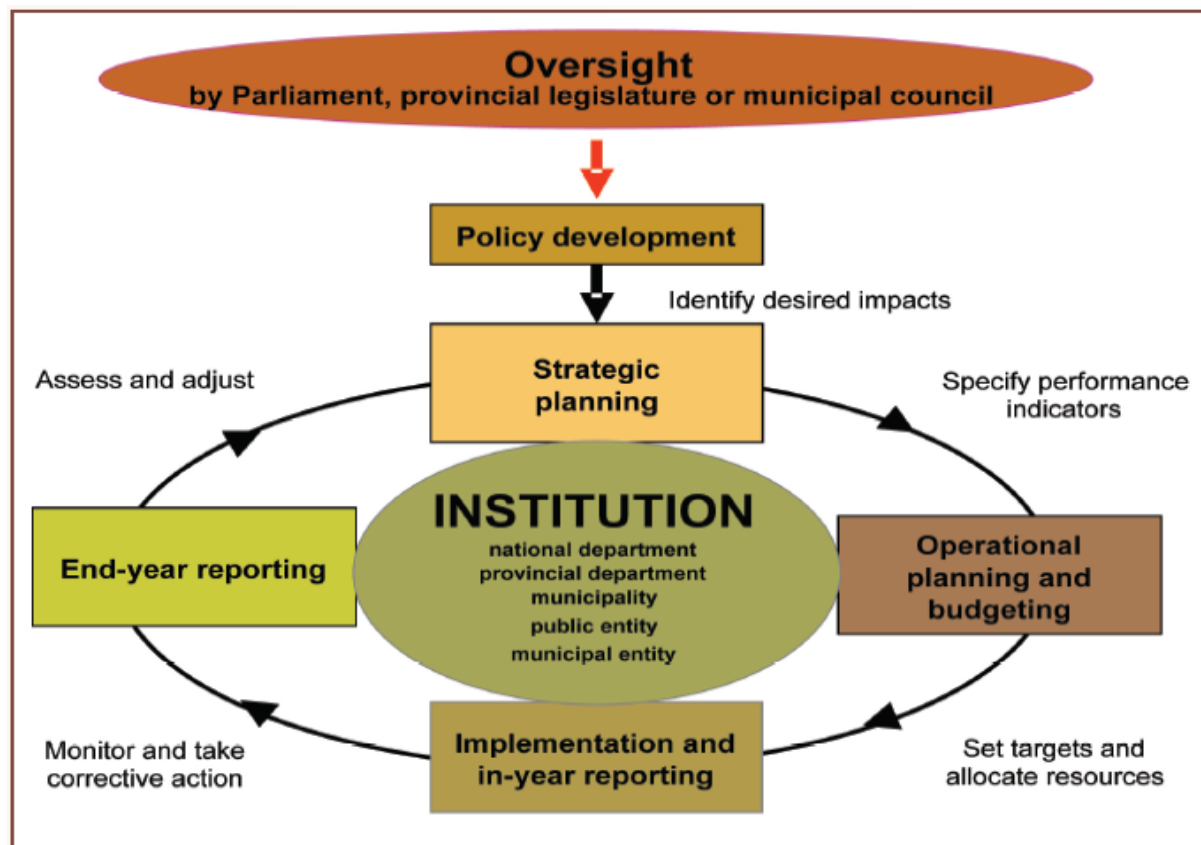


Figure 2 Planning, budgeting and reporting cycle

The performance of the Town relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Town therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

Table 24 MBRR Table SA7 - Measurable performance objectives

To be completed

Table 25 MBRR Table SA8 - Performance indicators and benchmarks

NC086 Kgatelopele - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.8%	7.1%	4.9%	3.7%	1.9%	1.9%	0.0%	2.6%	2.5%	2.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.2%	10.5%	4.9%	5.1%	2.7%	2.7%	0.0%	3.5%	3.5%	3.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-144.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.5	1.1	1.6	4.7	7.6	7.6	7.6	4.8	8.7	8.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.1	1.6	4.7	7.6	7.6	7.6	4.8	8.7	8.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.5	0.5	1.4	2.6	2.6	2.6	1.4	2.2	2.2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		69.5%	10.2%	50.7%	75.0%	0.0%	0.0%	0.0%	62.0%	60.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		69.5%	10.2%	50.7%	75.0%	0.0%	0.0%	0.0%	62.0%	60.7%	60.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	35.5%	30.2%	28.4%	24.6%	18.9%	18.9%	0.0%	32.8%	39.8%	39.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		183.7%	-20.2%	-11.1%	-8.4%	0.0%	0.0%	-15.2%	-53.6%	-27.6%	-18.9%
<u>Other Indicators</u>											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and	2828	6215		0.34	34	34	34	34		

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The Council plan to take up a Loan if needs be to develop demarcated land for the sole of residential even to Petra Diamond mine, and the community.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2014/15 financial year 2500 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kWh of electricity, sanitation and waste removal once a week.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The municipalities bulk water needs are provided out of own boreholes.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop award to Kgatelopele. Kgatelopele were awarded Blue Drop status in 2010/11/12, 13 indicating that the municipality's drinking water is of exceptional quality.

The following is briefly the main challenges facing the Town in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;

- The filling of vacancies has commenced and the Waste Water Division.
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

The Town's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Code of conduct

Conditions of service

HIV Aids Policy

Wellness Policy

Transfer Policy

Substance Abuse Policy

Smoking Policy

Sexual Harassment Policy

Employment Equity Policy

Recruitment, Screening and Selection Policy

New Employee induction Policy

Occupational Health and Safety

Unauthorised Absence Policy

Benefits Policy

Disciplinary Policy

Grievance Policy

Skills Development Policy

Incapacity: Ill health / injury Policy

Managing Poor performance Policy

Relief Employment Policy

Acting allowance Policy

Relief employment policy

Acting allowance policy

Employee Performance Management Policy

Tariff Policy

Budget Policy

Borrowing Policy

Funds and Reserve Policy

Indigent Policy

Credit Control and Indigent Policy

Asset Management Policy

Supply chain Management policy

2.4.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Town's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs.

2.4.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a % (80 %) of annual billings. Cash flow is assumed to be 80 % of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.3 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Town, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.4.4 Salary increases

The collective agreement regarding salaries/wages is 6.79%

2.4.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 90 % is achieved on operating expenditure and only a 50% is achieved on capital expenditure.

2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

The tables below provide detail investment information and investment particulars by maturity.

Table 26 MBRR SA15 – Detail Investment Information

Table 27 MBRR SA16 – Investment particulars by maturity

NC086 Kgatelopele - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
First National Bank		32 days	Call Account	N/A	Variable	4- 6.5%			n/a	9 800				9 800
														-
														-
														-
														-
Municipality sub-total										9 800		-	-	9 800
Entities														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									9 800		-	-	9 800

2.5.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2013/14 medium-term capital programme:

Table 28 Sources of capital revenue over the MTREF

NC086 Kgatelopele - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Funded by:												
National Government			15 617	10 710	9 373	8 898	8 898	–	7 697	7 843	8 306	8 763
Provincial Government			–	–	–	3 900	3 900	–	3 900	–	–	–
District Municipality			–	–	–	–	–	–	–	–	–	–
Other transfers and grants			–	85 834	–	–	–	–	–	–	–	–
Transfers recognised - capital		4	15 617	96 544	9 373	12 798	12 798	–	11 597	7 843	8 306	8 763
Public contributions & donations		5	–	–	630	–	–	–	–	–	–	–
Borrowing		6	–	–	–	10 000	10 000	–	–	–	–	–
Internally generated funds			–	–	–	–	–	–	–	432	457	483
Total Capital Funding		7	15 617	96 544	10 003	22 798	22 798	–	11 597	8 275	8 763	9 245

Figure 3 Sources of capital revenue for the 2013/14 financial year

Capital grants and receipts for the 2014/15 financial year is R 8 275 000, of which an amount of R 432 000 will be sourced from own revenue.

The following table is a detailed analysis of the Town's borrowing liability.

Table 29 MBRR Table SA 17 - Detail of borrowings

NC086 Kgatelopele - Supporting Table SA17 Borrowing

Borrowing - Categorised by type		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality											
Long-Term Loans (annuity/reducing balance)			6 907	4 236	3 812	3 812	3 812	3 812	1 284	1 360	1 435
Long-Term Loans (non-annuity)			-	-	-	-	-	-	-	-	-
Local registered stock			-	-	-	-	-	-	-	-	-
Instalment Credit			-	-	-	-	-	-	-	-	-
Financial Leases			-	-	-	-	-	-	-	-	-
PPP liabilities			-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier			-	-	-	-	-	-	-	-	-
Marketable Bonds			-	-	-	-	-	-	-	-	-
Non-Marketable Bonds			-	-	-	-	-	-	-	-	-
Bankers Acceptances			-	-	-	-	-	-	-	-	-
Financial derivatives			-	-	-	-	-	-	-	-	-
Other Securities			-	-	-	-	-	-	-	-	-
Municipality sub-total	1		6 907	4 236	3 812	3 812	3 812	3 812	1 284	1 360	1 435

Table 30 MBRR Table SA 18 - Capital transfers and grant receipts

NC086 Kgatelopele - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		13 591	15 208	17 959	18 842	18 842	–	19 820	20 931	22 065
Local Government Equitable Share		11 591	12 918	14 659	15 302	15 302		16 086	16 955	17 870
Finance Management		1 250	1 500	1 500	1 650	1 650		1 800	1 950	2 057
Municipal Systems Improvement		750	790	800	890	890		934	967	1 020
EPWP Incentive		–	–	1 000	1 000	1 000		1 000	1 059	1 117
Other transfers/grants [insert description]										
Provincial Government:		606	292	922	979	979	–	1 008	1 035	1 092
Health subsidy		446	–	495	522	522		551	578	610
Sport and Recreation		160	292	427	457	457		457	457	482
Other transfers/grants [insert description]										

Table 31 MBRR Table SA 18 - Capital transfers and grant receipts continue

District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	14 197	15 500	18 881	19 821	19 821	-	20 828	21 966	23 157
Capital Transfers and Grants										
National Government:		14 624	7 727	9 373	8 898	8 898	-	7 846	8 036	-
Municipal Infrastructure Grant (MIG)		14 624	7 727	9 373	8 898	8 898		7 846	8 036	
Other capital transfers/grants <i>[insert desc]</i>										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
				-						
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	14 624	7 727	9 373	8 898	8 898	-	7 846	8 036	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		28 821	23 227	28 254	28 719	28 719	-	28 674	30 002	23 157

CASH FLOW MANAGEMENT

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).
- More attention will be given to the cash flow in the final budget proses

Tab le 32 MBRR Table A7 - Budget cash flow statement

NC086 Kgatelopele - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		33 224	4 158	28 076	35 856			4 238	32 625	34 550	36 450
Government - operating	1	18 012	12 918	18 581	18 842			15 808	20 828	22 057	23 270
Government - capital	1	–	3 834	9 673	–			9 373	7 843	8 306	8 763
Interest		222	242	318	–			53	27	29	30
Dividends		–	–	–	26			–	–	–	–
Payments											
Suppliers and employees		(38 200)	(18 350)	(39 384)	(59 479)			(23 948)	(50 580)	(53 564)	(56 510)
Finance charges		(557)	(1 582)	(565)	(2 440)			(2 269)	(584)	(618)	(652)
Transfers and Grants	1	(5 752)	–	(5 657)	(4 757)			–	(7 311)	(7 742)	(8 168)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 949	1 220	11 042	(11 952)	–	–	3 255	2 848	3 016	3 182
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–			–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–			–	–	–	–
Decrease (increase) other non-current receiv ables		–	–	–	–			–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–			–	–	–	–
Payments											
Capital assets		(15 617)	(96 544)	(9 673)	–			(9 760)	(7 624)	(8 074)	(8 518)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(15 617)	(96 544)	(9 673)	–	–	–	(9 760)	(7 624)	(8 074)	(8 518)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–			–	–	–	–
Borrowing long term/refinancing		10 932	–	–	–			–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–			–	–	–	–
Payments											
Repay ment of borrowing		–	(2 671)	(2 134)	–			(53)	(1 284)	(1 360)	(1 435)
NET CASH FROM/(USED) FINANCING ACTIVITIES		10 932	(2 671)	(2 134)	–	–	–	(53)	(1 284)	(1 360)	(1 435)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equiv alents at the year begin:	2	5 495	7 759	(90 236)				–		(6 060)	(12 477)
Cash/cash equiv alents at the year end:	2	7 759	(90 236)	(91 001)	(11 952)	–	–	(6 558)	(6 060)	(12 477)	(19 248)

2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 33 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC086 Kgatelopele - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	7 759	(90 236)	(91 001)	(11 952)	-	-	(6 558)	(10 795)	(32 515)	(55 431)
Other current investments > 90 days		(1)	99 575	98 701	18 646	6 694	6 694	13 252	20 595	42 894	66 380
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		7 758	9 339	7 700	6 694	6 694	6 694	6 694	9 800	10 378	10 949
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 447	16 935	2 150	(7 804)	1 000	1 000	1 000	(1 416)	(1 501)	(1 584)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		2 447	16 935	2 150	(7 804)	1 000	1 000	1 000	(1 416)	(1 501)	(1 584)
Surplus(shortfall)		5 311	(7 596)	5 550	14 498	5 694	5 694	5 694	11 216	11 879	12 533

More attention will be given in the final budget proses.

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 34 MBRR SA10 – Funding compliance measurement

NC086 Kgatelopele - Table A10 Consolidated basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		2 631 000	2 918 000	3 064 000	3 156 000			3 600 000	3 812 400	4 022 082
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		2 631 000	2 918 000	3 064 000	3 156 000	-	-	3 600 000	3 812 400	4 022 082
Using public tap (< min.service level)	3							-	-	-
Other water supply (< min.service level)	4	674 000	674 000	674 000	687 000			1 051 000	1 113 009	1 174 224
No water supply								-	-	-
<i>Below Minimum Service Level sub-total</i>		674 000	674 000	674 000	687 000	-	-	1 051 000	1 113 009	1 174 224
Total number of households	5	3 305 000	3 592 000	3 738 000	3 843 000	-	-	4 651 000	4 925 409	5 196 306
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		231 000	2 598 000	2 598 000	2 676 000			3 106 000	3 289 254	3 470 163
Flush toilet (with septic tank)		266 000	266 000	266 000	274 000			282 000	298 638	315 063
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		191 000	141 000	141 000	1 545 000			150 000	158 850	167 587
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		688 000	3 005 000	3 005 000	4 495 000	-	-	3 538 000	3 746 742	3 952 813
Bucket toilet		2 818 000	3 005 000	3 005 000	3 095 000	-	-	3 188 000	3 376 092	3 561 777
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 818 000	3 005 000	3 005 000	3 095 000	-	-	3 188 000	3 376 092	3 561 777
Total number of households	5	3 506 000	6 010 000	6 010 000	7 590 000	-	-	6 726 000	7 122 834	7 514 590
<u>Energy:</u>										
Electricity (at least min.service level)		601 000	621 000	621 000	640 000			659 000	697 881	736 264
Electricity - prepaid (min.service level)								-	-	-
<i>Minimum Service Level and Above sub-total</i>		601 000	621 000	621 000	640 000	-	-	659 000	697 881	736 264
Electricity (< min.service level)		411 000	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		2 484 000	2 895 000	2 895 000	2 982 000	-	-	3 421 000	3 622 839	3 822 095
Other energy sources								-	-	-
<i>Below Minimum Service Level sub-total</i>		2 895 000	2 895 000	2 895 000	2 982 000	-	-	3 421 000	3 622 839	3 822 095
Total number of households	5	3 496 000	3 516 000	3 516 000	3 622 000	-	-	4 080 000	4 320 720	4 558 360
<u>Refuse:</u>										
Removed at least once a week		3 411 000	3 516 000	3 516 000	3 621 000			4 080 000	4 320 720	4 558 360
<i>Minimum Service Level and Above sub-total</i>		3 411 000	3 516 000	3 516 000	3 621 000	-	-	4 080 000	4 320 720	4 558 360
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	3 411 000	3 516 000	3 516 000	3 621 000	-	-	4 080 000	4 320 720	4 558 360

2.5.4.1 Cash/cash equivalent position

To be inserted

2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

2.5.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Town to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as unrest.

2.5.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.5.4.5 Property Rates/service charge revenue as a % increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.5.4.6 Cash receipts as a % of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.5.4.7 Debt impairment expense as a % of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has increased R4 058 000 for the 2013/14 financial year.

2.5.4.8 Transfers/grants revenue as a % of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A % less than 100 % could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.5.4.9 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Town's policy of settling debtor's accounts within 30 days.

2.5.4.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. See Table 60 MBRR SA34C on page 90.

2.5.4.11 Asset renewal/rehabilitation expenditure level

Table 59 MBRR SA34b

NC086 Kgatelopele - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	1 760	1 760	1 760	7 843	7 962	7 452
Infrastructure - Road transport		-	-	-	800	800	800	1 500	1 439	1 439
<i>Roads, Pavements & Bridges</i>		-	-	-	800	800	800	1 500	1 439	1 439
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	260	260	260	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		-	-	-	200	200	200	-	-	-
<i>Street Lighting</i>		-	-	-	60	60	60	-	-	-
Infrastructure - Water		-	-	-	400	400	400	1 720	6 013	6 013
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	400	400	400	1 720	6 013	6 013
Infrastructure - Sanitation		-	-	-	300	300	300	-	-	-
<i>Reticulation</i>		-	-	-	300	300	300	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	4 623	510	-
<i>Waste Management</i>		-	-	-	-	-	-	4 623	510	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	520	520	520	-	-	-
Parks & gardens		-	-	-	10	10	10	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	100	100	100	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	10	10	10	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	300	300	300	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	100	100	100	-	-	-
Heritage assets		-	-	-	40	40	40	-	-	-
Buildings		-	-	-	-	-	-	-	-	-

2.6 Expenditure on grants and reconciliations of unspent funds

Table 35 MBRR SA19 - Expenditure on transfers and grant programmes

NC086 Kgatelopele - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		3 159	15 208	17 959	18 842	18 842	–	19 820	19 839	17 870
Local Government Equitable Share		1 159	12 918	14 659	15 302	15 302		16 086	16 955	17 870
Finance Management		1 250	1 500	1 500	1 650	1 650		1 800	1 950	
Municipal Systems Improvement		750	790	800	890	890		934	934	
EPWP Incentive		–	–	1 000	1 000	1 000		1 000		
Other transfers/grants [insert description]										
Provincial Government:		606	292	922	979	979	–	1 008	1 035	–
Health subsidy		446	–	495	522	522		551	578	
Sport and Recreation		160	292	427	457	457		457	457	
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants		3 765	15 500	18 881	19 821	19 821	–	20 828	20 874	17 870
Capital expenditure of Transfers and Grants										
National Government:		14 624	7 727	9 373	8 898	8 898	–	7 843	8 036	–
Municipal Infrastructure Grant (MIG)		14 624	7 727	9 373	8 898	8 898		7 843	8 036	
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										

Table 36 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NC086 Kgatelopele - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		18 012	16 752	16 159	18 842	18 842	–	18 820	19 961	
Conditions met - transferred to revenue		18 012	16 752	16 159	18 842	18 842	–	18 820	19 961	–
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		133 927	76 675	31 167	8 898			7 846	8 036	
Conditions met - transferred to revenue		133 927	76 675	31 167	8 898	–	–	7 846	8 036	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		151 939	93 427	47 326	27 740	18 842	–	26 666	27 997	–
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		133 927	76 675	31 167	8 898	8 898				
Conditions met - transferred to revenue		133 927	76 675	31 167	8 898	8 898	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		–	–	9 230	3 900					
Conditions met - transferred to revenue		–	–	9 230	3 900	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										

2.7 Councillor and employee benefits

Table 37 MBRR SA22 - Summary of councillor and staff benefits

NC086 Kgatelopele - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		1 779	1 909	1 899	1 986			2 639	2 103	2 217
Pension and UIF Contributions		-	-	-	6			20	21	22
Medical Aid Contributions		-	-	-	-			-	-	-
Motor Vehicle Allowance		-	-	-	-			-	-	-
Cellphone Allowance		-	-	-	-			147	136	144
Housing Allowances		-	-	101	129			-	-	-
Other benefits and allowances		-	8	16	20			20	21	22
Sub Total - Councillors		1 779	1 917	2 016	2 141	-	-	2 826	2 282	2 405
% increase	4		7.8%	5.2%	6.2%	(100.0%)	-	-	(19.3%)	5.4%

Table 38 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC086 Kgatelopele - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		-	-	-			-
Chief Whip			-	-	-			-
Executive Mayor		1	643 750	-	-			643 750
Deputy Executive Mayor			-	-	-			-
Executive Committee			-	-	-			-
Total for all other councillors			-	-	-			-
Total Councillors	8	1	643 750	-	-			643 750
Senior Managers of the Municipality	5							
Municipal Manager (MM)			750 000	1 785	-	-		751 785
Chief Finance Officer			600 000	1 785	150 000	-		751 785
Technical Manager								-
Corporate Manager								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	1 350 000	3 570	150 000	-		1 503 570

Table 39 MBRR SA24 – Ssummary of personnel numbers

To be added

2.8 Monthly targets for revenue, expenditure and cash flow

Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure

NC086 Kgatelopele - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Revenue By Source																
Property rates		736	736	736	736	736	736	736	736	736	736	736	1 452	9 550	10 113	10 670
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	1 864	(2 575)	17 927	18 985	20 029
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	7 842	7 842	8 265	8 712
Service charges - sanitation revenue		307	307	307	307	307	307	307	307	307	307	307	677	4 054	4 273	4 504
Service charges - refuse revenue		309	309	309	309	309	309	309	309	309	309	309	2 565	5 964	6 286	6 662
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	259	259	274	289
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	27	27	29	31
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	12	12	12	13
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	405	405	429	452
Agency services		-	-	-	-	-	-	-	-	-	-	-	414	414	439	463
Transfers recognised - operational		-	-	-	-	-	-	-	-	-	-	-	20 820	20 820	22 048	23 349
Other revenue		1 490	1 490	1 490	1 490	1 490	1 490	1 490	1 490	1 490	1 490	1 490	(10 220)	6 169	7 836	8 240
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 706	4 706	4 706	4 706	4 706	4 706	4 706	4 706	4 706	4 706	4 706	21 677	73 441	78 989	83 413
Expenditure By Type																
Employee related costs		18 060	18 060	18 060	18 060	18 060	18 060	18 060	18 060	18 060	18 060	18 060	(180 542)	18 117	19 014	20 055
Remuneration of councillors		166	166	166	166	166	166	166	166	166	166	166	810	2 639	2 795	2 949
Debt impairment		751	751	751	751	751	751	751	751	751	751	751	(2 662)	5 600	9 500	10 013
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	5 909	5 909	6 258	6 602
Finance charges		-	-	-	-	-	-	-	-	-	-	-	584	584	618	652
Bulk purchases		177	177	177	177	177	177	177	177	177	177	177	12 916	14 868	15 745	16 611
Other materials		146	146	146	146	146	146	146	146	146	146	146	2 064	3 669	3 885	4 114
Contracted services		497	497	497	497	497	497	497	497	497	497	497	(161)	5 307	5 620	5 929
Transfers and grants		418	418	418	418	418	418	418	418	418	418	418	2 715	7 311	7 742	8 168
Other expenditure		825	825	825	825	825	825	825	825	825	825	825	(431)	8 642	9 152	14 072
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		21 040	21 040	21 040	21 040	21 040	21 040	21 040	21 040	21 040	21 040	21 040	(158 797)	72 646	80 330	89 167
Surplus/(Deficit)		(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 334)	180 474	795	(1 341)	(5 754)
Transfers recognised - capital													7 843	7 843	8 306	8 763
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 334)	188 317	8 638	6 964	3 009
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 335)	(16 334)	188 317	8 638	6 964	3 009

Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC086 Kgatelopele - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
VOTE 1 - Executive and Council		4	4	4	4	4	4	4	4	4	4	4	10	54	58	61
VOTE 2 - Budget and Treasury		2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 709	32 486	34 402	36 295
VOTE 3 - Corporative Services		82	82	82	82	82	82	82	82	82	82	82	88	990	5 183	5 463
VOTE 4 - Technical Services		2 982	2 982	2 982	2 982	2 982	2 982	2 982	2 982	2 982	2 982	2 982	2 984	35 786	36 487	38 493
VOTE 5 - Community and Social Services		343	343	343	343	343	343	343	343	343	343	343	352	4 125	2 774	3 011
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		6 118	6 118	6 118	6 118	6 118	6 118	6 118	6 118	6 118	6 118	6 118	6 143	73 441	78 904	83 323
Expenditure by Vote to be appropriated																
VOTE 1 - Executive and Council		766	766	766	766	766	766	766	766	766	766	766	777	9 203	9 626	10 146
VOTE 2 - Budget and Treasury		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 086	12 999	13 766	14 523
VOTE 3 - Corporative Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VOTE 4 - Technical Services		3 846	3 846	3 846	3 846	3 846	3 846	3 846	3 846	3 846	3 846	3 846	3 851	46 157	48 987	51 954
VOTE 5 - Community and Social Services		357	357	357	357	357	357	357	357	357	357	357	359	4 286	7 951	8 392
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		6 052	6 052	6 052	6 052	6 052	6 052	6 052	6 052	6 052	6 052	6 052	6 073	72 645	80 330	85 016
Surplus/(Deficit) before assoc.		66	66	66	66	66	66	66	66	66	66	66	70	796	(1 426)	(1 693)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	66	66	66	66	66	66	66	66	66	66	66	70	796	(1 426)	(1 693)

Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC086 Kgatelopele - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Revenue - Standard																
Governance and administration		2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 807	33 530	37 928	40 076
Executive and council		4	4	4	4	4	4	4	4	4	4	4	10	54	58	61
Budget and treasury office		2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 709	32 486	33 613	35 461
Corporate services		82	82	82	82	82	82	82	82	82	82	82	88	990	4 258	4 554
Community and public safety		60	60	60	60	60	60	60	60	60	60	60	90	750	759	801
Community and social services		13	13	13	13	13	13	13	13	13	13	13	24	167	142	150
Sport and recreation		2	2	2	2	2	2	2	2	2	2	2	11	33	35	37
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		45	45	45	45	45	45	45	45	45	45	45	55	550	582	614
Economic and environmental services		281	281	281	281	281	281	281	281	281	281	281	284	3 375	5 013	5 289
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		281	281	281	281	281	281	281	281	281	281	281	284	3 375	5 013	5 289
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		2 699	2 699	2 699	2 699	2 699	2 699	2 699	2 699	2 699	2 699	2 699	6 097	35 786	44 405	39 906
Electricity		1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 493	1 504	17 927	18 985	20 029
Water		653	653	653	653	653	653	653	653	653	653	653	659	7 842	14 352	8 712
Waste water management		56	56	56	56	56	56	56	56	56	56	56	3 438	4 054	4 273	4 504
Waste management		497	497	497	497	497	497	497	497	497	497	497	497	5 964	6 796	6 662
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard		5 833	5 833	5 833	5 833	5 833	5 833	5 833	5 833	5 833	5 833	5 833	9 278	73 441	88 106	86 072
Expenditure - Standard																
Governance and administration		2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 206	2 223	26 489	29 346	29 500
Executive and council		766	766	766	766	766	766	766	766	766	766	766	777	9 203	9 626	10 146
Budget and treasury office		1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 083	1 086	12 999	13 766	14 523
Corporate services		357	357	357	357	357	357	357	357	357	357	357	360	4 287	5 954	4 830
Community and public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Planning and development													–	–	–	–
Road transport													–	–	–	–
Environmental protection													–	–	–	–
Trading services		3 844	3 844	3 844	3 844	3 844	3 844	3 844	3 844	3 844	3 844	3 844	3 873	46 157	48 987	51 954
Electricity		2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 840	34 003	36 163	38 435
Water		224	224	224	224	224	224	224	224	224	224	224	232	2 696	2 855	3 013
Waste water management		479	479	479	479	479	479	479	479	479	479	479	481	5 750	6 061	6 388
Waste management		308	308	308	308	308	308	308	308	308	308	308	319	3 707	3 907	4 118
Other													–	–	–	–
Total Expenditure - Standard		6 050	6 050	6 050	6 050	6 050	6 050	6 050	6 050	6 050	6 050	6 050	6 096	72 646	78 333	81 454
Surplus/(Deficit) before assoc.		(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	3 182	795	9 774	4 619
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	(217)	3 182	795	9 774	4 619

Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NC086 Kgatelopele - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		11	11	11	11	11	11	11	11	11	11	11	11	132	140	147
Vote 2 - Budget and Treasury														-	-	-
Vote 3 - Corporative Services		8	8	8	8	8	8	8	8	8	8	8	#REF!	100	106	112
Vote 4 - Technical Services		670	670	670	670	670	670	670	670	670	670	670	7 955	8 043	8 174	7 675
Vote 5 - Town Planning														-	-	-
Vote 6 - Community & Social Services														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	689	689	689	689	689	689	689	689	689	689	689	#REF!	8 275	8 420	7 934
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council														-	-	-
Vote 2 - Budget and Treasury														-	-	-
Vote 3 - Corporative Services														-	-	-
Vote 4 - Technical Services														-	-	-
Vote 5 - Town Planning														-	-	-
Vote 6 - Community & Social Services														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	689	689	689	689	689	689	689	689	689	689	689	#REF!	8 275	8 420	7 934

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC086 Kgatelopele - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1	-	-	-	-	-	-	-	-	-	-	-	232	232	246	259
<i>Governance and administration</i>																
Executive and council													132	132	140	147
Budget and treasury office													-	-	-	-
Corporate services													100	100	106	112
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	200	200	-	-
Community and social services													200	200	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	1 500	1 500	1 589	1 682
Planning and development													-	-	-	-
Road transport													1 500	1 500	1 589	1 682
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	6 346	6 346	6 720	7 090
Electricity													-	-	-	-
Water													1 723	1 723	1 824	1 925
Waste water management													-	-	-	-
Waste management													4 623	4 623	4 896	5 165
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Standard	2	-	-	-	-	-	-	-	-	-	-	-	8 278	8 278	8 555	9 031
Funded by:																
National Government													7 843	7 843	8 306	8 763
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	7 843	7 843	8 306	8 763
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds													432	432	457	483
Total Capital Funding		-	-	-	-	-	-	-	-	-	-	-	8 275	8 275	8 763	9 245

Table 45 MBRR SA30 - Budgeted monthly cash flow

NC086 Kgatelopele - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	493	493	493	493	493	493	493	493	493	493	493	494	5 921	9 231	9 646
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	926	926	926	926	926	926	926	926	926	926	926	929	11 115	23 372	24 424
Service charges - water revenue	405	405	405	405	405	405	405	405	405	405	405	407	4 862		
Service charges - sanitation revenue	179	179	179	179	179	179	179	179	179	179	179	545	2 514	3 854	4 027
Service charges - refuse revenue	208	208	208	208	208	208	208	208	208	208	208	1 409	3 697	3 874	4 048
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	1 873	1 958
Rental of facilities and equipment	21	21	21	21	21	21	21	21	21	21	21	28	259	274	289
Interest earned - external investments	2	2	2	2	2	2	2	2	2	2	2	5	27	29	30
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1	1	1	1	1	1	1	1	1	1	1	1	12	12	13
Licences and permits	33	33	33	33	33	33	33	33	33	33	33	42	405	429	452
Agency services	21	21	21	21	21	21	21	21	21	21	21	26	257	272	287
Transfer receipts - operational	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	6 075	20 820	16 955	17 870
Other revenue	320	320	320	320	320	320	320	320	320	320	320	329	3 849	4 076	4 300
Cash Receipts by Source	3 950	3 950	3 950	3 950	3 950	3 950	3 950	3 950	3 950	3 950	3 950	10 288	53 737	64 251	67 346
Other Cash Flows by Source															
Transfer receipts - capital	653	653	653	653	653	653	653	653	653	653	653	660	7 843	8 306	8 763
Contributions recognised - capital & Contributed a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	10 948	61 580	72 557	76 109
Cash Payments by Type															
Employee related costs	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	(1 863)	17 211	22 646	23 665
Remuneration of councillors	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	208 000.00	219	2 507	2 085	2 179
Finance charges	48	48	48	48	48	48	48	48	48	48	48	56	584	-	-
Bulk purchases - Electricity	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 177	1 178	14 125	15 451	16 146
Bulk purchases - Water & Sewer	290	290	290	290	290	290	290	290	290	290	290	295	3 485	-	-
Other materials	420	420	420	420	420	420	420	420	420	420	420	422	5 042	1 829	1 911
Contracted services	578	578	578	578	578	578	578	578	578	578	578	587	6 945	6 234	6 514
Transfers and grants - other municipalities	609	609	609	609	609	609	609	609	609	609	609	612	7 311	7 742	8 168
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	105	105	105	105	105	105	105	105	105	105	105	109	1 264	19 762	20 651
Cash Payments by Type	5 169	5 169	5 169	5 169	5 169	5 169	5 169	5 169	5 169	5 169	5 169	1 616	58 475	75 749	79 236
Other Cash Flows/Payments by Type															
Capital assets	635	635	635	635	635	635	635	635	635	635	635	639	7 624	8 074	8 518
Repayment of borrowing	107	107	107	107	107	107	107	107	107	107	107	107	1 284	1 360	1 435
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	5 911	5 911	5 911	5 911	5 911	5 911	5 911	5 911	5 911	5 911	5 911	2 362	67 383	85 183	89 188
NET INCREASE/(DECREASE) IN CASH HELD	(1 309)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	(1 308)	8 586	(5 803)	(12 626)	(13 080)
Cash/cash equivalents at the month/year begin:	(1 309)	(1 309)	(2 617)	(3 925)	(5 233)	(6 541)	(7 849)	(9 157)	(10 465)	(11 773)	(13 081)	(14 389)	-	(5 803)	(18 429)
Cash/cash equivalents at the month/year end:	(1 309)	(2 617)	(3 925)	(5 233)	(6 541)	(7 849)	(9 157)	(10 465)	(11 773)	(13 081)	(14 389)	(15 697)	(5 803)	(18 429)	(31 509)

2.9 Annual budgets and SDBIPs – internal departments

To be completed

2.10 Contracts having future budgetary implications

In terms of the Town's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following three tables present details of the Town's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 46 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure		15 447	96 544	9 373	1 760	1 760	1 760	7 843	7 962	7 452	
Infrastructure - Road transport		14 920	-	-	800	800	800	1 500	1 439	1 439	
Roads, Pavements & Bridges		14 920	-	-	800	800	800	-	-	-	
Storm water		-	-	-	-	-	-	1 500	1 439	1 439	
Infrastructure - Electricity		527	-	9 373	260	260	260	-	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		527	-	9 373	200	200	200	-	-	-	
Street Lighting		-	-	-	60	60	60	-	-	-	
Infrastructure - Water		-	-	-	400	400	400	1 720	6 013	6 013	
Dams & Reservoirs		-	-	-	-	-	-	1 720	6 013	6 013	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	400	400	400	-	-	-	
Infrastructure - Sanitation		-	-	-	300	300	300	-	-	-	
Reticulation		-	-	-	300	300	300	-	-	-	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	96 544	-	-	-	-	-	4 623	510	
Waste Management		-	-	-	-	-	-	4 623	510	-	
Transportation		-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	96 544	-	-	-	-	-	-	-	
Community		2	138	-	630	460	460	460	-	-	-
Parks & gardens		7	138	-	630	10	10	10	-	-	-
Sportsfields & stadia						-	-	-	-	-	-
Swimming pools						-	-	-	-	-	-
Community halls						100	100	100	-	-	-
Libraries						-	-	-	-	-	-
Recreational facilities						-	-	-	-	-	-
Fire, safety & emergency						10	10	10	-	-	-
Security and policing	-					-	-	-	-	-	
Buses	-					-	-	-	-	-	
Clinics	-					-	-	-	-	-	
Museums & Art Galleries	8	-	-	300	300	300	-	-	-		
Cemeteries				-	-	-	-	-	-		
Social rental housing				-	-	-	-	-	-		
Other	40	40	40	-	-	-	-	-	-		
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets	10	340	-	0	670	670	670	432	458	482	
General vehicles		138	-	-	200	200	200	432	232	246	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		-	-	0	-	-	-	-	-	-	
Computers - hardware/equipment		-	-	0	20	20	20	-	-	-	
Furniture and other office equipment		118	-	0	50	50	50	-	-	-	
Abattoirs		20	-	-	-	-	-	-	-	-	
Markets		32	-	-	-	-	-	-	-	-	
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	
Other Buildings		-	-	-	-	-	-	-	-	-	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		32	-	0	400	400	400	-	226	236	
Agricultural assets		10	-	-	-	-	-	-	-	-	-
List sub-class	-		-	-	-	-	-	-	-	-	
	-		-	-	-	-	-	-	-	-	
Biological assets	10	-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Intangibles	10	-	-	-	-	-	-	-	-	-	

[illegible]

Table 47 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

NC086 Kgatelopele - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure	2	-	-	-	1 760	1 760	1 760	7 843	7 962	7 452	
Infrastructure - Road transport		-	-	-	800	800	800	1 500	1 439	1 439	
Roads, Pavements & Bridges		-	-	-	800	800	800	1 500	1 439	1 439	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	260	260	260	-	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		-	-	-	200	200	200	-	-	-	
Street Lighting		-	-	-	60	60	60	-	-	-	
Infrastructure - Water		-	-	-	400	400	400	1 720	6 013	6 013	
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	400	400	400	1 720	6 013	6 013	
Infrastructure - Sanitation		-	-	-	300	300	300	-	-	-	
Reticulation		-	-	-	300	300	300	-	-	-	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	-	-	4 623	510	-	
Waste Management		-	-	-	-	-	-	4 623	510	-	
Transportation		-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Community		7	-	-	-	520	520	520	-	-	-
Parks & gardens		-	-	-	-	10	10	10	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-	
Swimming pools		-	-	-	-	-	-	-	-	-	
Community halls		-	-	-	-	100	100	100	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	10	10	10	-	-	-
Buses		-	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	300	300	300	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	100	100	100	-	-	-	
Heritage assets	9	-	-	-	40	40	40	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	40	40	40	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets	10	-	-	-	670	670	670	432	458	482	
General vehicles	-	-	-	-	200	200	200	132	140	147	
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	
Plant & equipment	-	-	-	-	-	-	-	-	-	-	
Computers - hardware/equipment	-	-	-	-	20	20	20	100	106	112	
Furniture and other office equipment	-	-	-	-	50	50	50	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	-	
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-	
Other Buildings	-	-	-	-	-	-	-	-	-	-	
Other Land	-	-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	400	400	400	200	212	223	
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming		-	-	-	-	-	-	-	-	-	
Other (list sub-class)		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on renewal of existing	1	-	-	-	2 990	2 990	2 990	8 275	8 420	7 934	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse		-	-	-	-	-	-	-	-	-	
Fire		-	-	-	-	-	-	-	-	-	
Conservancy		-	-	-	-	-	-	-	-	-	
Ambulances		-	-	-	-	-	-	-	-	-	

Table 48 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand											
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	-	-	-	-	-	-	3 478	3 675	3 968	
Infrastructure - Road transport		-	-	-	-	-	-	406	438	472	
Roads, Pavements & Bridges								203	219	236	
Storm water								203	219	236	
Infrastructure - Electricity		-	-	-	-	-	-	1 005	1 085	1 172	
Generation											
Transmission & Reticulation								1 005	1 085	1 172	
Street Lighting											
Infrastructure - Water		-	-	-	-	-	-	1 168	1 212	1 309	
Dams & Reservoirs											
Water purification											
Reticulation								1 168	1 212	1 309	
Infrastructure - Sanitation		-	-	-	-	-	-	899	940	1 015	
Reticulation								899	940	1 015	
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management											
Transportation											
Gas											
Other											
Community		3	-	-	-	-	-	-	74	80	86
Parks & gardens		7							74	80	86
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	1 172	1 643	1 092	3 130	3 130	3 130	321	349	296	
General vehicles								140	151	163	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment								181	198	133	
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other		1 172	1 643	1 092	3 130	3 130	3 130				
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	1 172	1 643	1 092	3 130	3 130	3 130	3 873	4 104	4 350	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											

[illegible]

Table 49 MBRR SA35 - Future financial implications of the capital budget

To be added

NC086 Kgatelopele - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		132	140	147	154	162	170	
Vote 2 - Budget and Treasury		-	-	-				
Vote 3 - Corporative Services		100	106	112	118	123	130	
Vote 4 - Technical Services		8 043	8 174	7 675	8 059	8 462	8 885	
Vote 5 - Town Planning		-	-	-				
Vote 6 - Community & Social Services		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		8 275	8 420	7 934	8 331	8 747	9 185	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporative Services								
Vote 4 - Technical Services								
Vote 5 - Town Planning								
Vote 6 - Community & Social Services								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		8 275	8 420	7 934	8 331	8 747	9 185	-

Table 50 MBRR SA36 - Detailed capital budget per municipal vote

To be completed

Table 51 MBRR SA37 - Projects delayed from previous financial year

Still to be completed

2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved. This will be published monthly on the municipality's website.
2. Internship programme
The Town is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Two of the five interns has been appointed permanently from 01 September 2010. The remaining three have completed their two year contract on 31 December 2012, and extension for six months has been granted. Since the introduction of the Internship programme the Town has successfully employed and trained 2 interns through this programme.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee will be established from July 2013.
5. Service Delivery and Implementation Plan
The detail SDBIP document is in process with the assistance of provincial treasury.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training is planned by Siyanda District municipality.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1471 of 04 October 2010

2.13 Other supporting documents

Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance

NC086 Kgatelopele - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		3 864	3 324	5 494	8 087				9 550	10 113	10 670
less Revenue Foregone											
Net Property Rates		3 864	3 324	5 494	8 087	-	-	-	9 550	10 113	10 670
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		7 465	11 477	14 973	16 815				17 927	18 985	20 029
less Revenue Foregone											
Net Service charges - electricity revenue		7 465	11 477	14 973	16 815	-	-	-	17 927	18 985	20 029
Service charges - water revenue	6										
Total Service charges - water revenue		3 128	4 254	5 736	6 337				7 842	8 265	8 712
less Revenue Foregone											
Net Service charges - water revenue		3 128	4 254	5 736	6 337	-	-	-	7 842	8 265	8 712
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		2 650	2 920	2 899	3 475				4 054	4 273	4 504
less Revenue Foregone											
Net Service charges - sanitation revenue		2 650	2 920	2 899	3 475	-	-	-	4 054	4 273	4 504
Service charges - refuse revenue	6										
Total refuse removal revenue		6 497	3 703	3 935	4 935				5 964	6 286	6 662
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		6 497	3 703	3 935	4 935	-	-	-	5 964	6 286	6 662
Other Revenue by source											
Rental of facilities		178	98	26	24				259	349	368
Interest earned - external investment		222	242	318	26				27	29	31
Interest earned -outstanding debtors		-	-	-	-				-	-	-
Dividends received		-	-	-	-				-	-	-
Fines		17	-	31	11				12	12	13
Licences and permits		477	-	(50)	700				405	429	425
Agency services		-	2	-	-				-	-	-
Transfer recognised - operational		14 382	12 918	16 161	18 842				20 820	22 048	23 261
Other own revenue		8 948	-	5 863	7 424				5 466	5 788	6 107
Gains on disposal of PPE		-	1 725	-	-				-	-	-
	3										
Total 'Other' Revenue	1	24 224	14 985	22 349	27 027	-	-	-	26 989	28 656	30 205

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

(Continued)

NC086 Kgatelopele - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16

R thousand

Employee related costs											
Basic Salaries and Wages	2	6 696	7 202	6 476	9 876				13 009	13 777	14 534
Pension and UIF Contributions		1 117	1 231	1 220	1 560				2 785	2 892	3 049
Medical Aid Contributions		475	517	568	529				425	448	472
Overtime		700	740	732	810				411	349	369
Performance Bonus		-	67	23	-				1 051	1 090	1 148
Motor Vehicle Allowance		399	651	186	184				-	-	-
Cellphone Allowance		7	101	-	-				12	13	13
Housing Allowances		23	19	3	8				-	-	-
Other benefits and allowances		856	896	818	1 211				424	445	470
Payments in lieu of leave		-	21	-	-				-	-	-
Long service awards		-	-	-	-				-	-	-
Post-retirement benefit obligations	4	-	-	-	-				-	-	-
<i>sub-total</i>	5	10 273	11 445	10 026	14 178	-	-	-	18 117	19 014	20 055
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	10 273	11 445	10 026	14 178	-	-	-	18 117	19 014	20 055

**Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance
(Continued)**

[illegible]

Table 53 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

NC086 Kgatelopele - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	VOTE 1 - Excutive and Council	VOTE 2 - Budget and Treasury	VOTE 3 - Corporative Services	VOTE 4 - Technical Services	VOTE 5 - Community and Social Services	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		9 550															9 550
Property rates - penalties & collection charges																	-
Service charges - electricity revenue					17 927												17 927
Service charges - water revenue					7 842												7 842
Service charges - sanitation revenue					4 054												4 054
Service charges - refuse revenue					5 964												5 964
Service charges - other					-												-
Rental of facilities and equipment						259											259
Interest earned - external investments			27														27
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines				12													12
Licences and permits				405													405
Agency services				414													414
Other revenue					6 168												6 168
Transfers recognised - operational					20 820												20 820
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		9 550	27	831	62 774	259	-	-	-	-	-	-	-	-	-	-	73 441
Expenditure By Type																	
Employee related costs			18 117														18 117
Remuneration of councillors		2 639															2 639
Debt impairment			5 600														5 600
Depreciation & asset impairment																	-
Finance charges			584														584
Bulk purchases					14 868												14 868
Other materials					3 669												3 669
Contracted services					5 307												5 307
Transfers and grants					20 820												20 820
Other expenditure					1 042												1 042
Loss on disposal of PPE																	-
Total Expenditure		2 639	24 301	-	45 706	-	-	-	-	-	-	-	-	-	-	-	72 646
Surplus/(Deficit)		6 911	(24 274)	831	17 069	259	-	-	-	-	-	-	-	-	-	-	795
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		6 911	(24 274)	831	17 069	259	-	-	-	-	-	-	-	-	-	-	795

Table 54 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC086 Kgatelopele - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Wates Ngabanto - Supporting Data to Budgetary Human Edition												
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand												
ASSETS												
<u>Call investment deposits</u>												
Call deposits < 90 days	2	-	-	-	6 694	6 694	6 694	6 694	9 800	10 378	10 949	
Other current investments > 90 days												
Total Call investment deposits												
<u>Consumer debtors</u>												
Consumer debtors	2	10 334	9 143	8 911	12 572	12 572	12 572	12 572	29 712 (5 600)	31 465	33 195	
Less: Provision for debt impairment												
Total Consumer debtors												
<u>Debt impairment provision</u>												
Balance at the beginning of the year	2	-	(10 100)	(7 035)	(503)	(503)	(503)	(503)	(2 028)	(2 148)	(2 266)	
Contributions to the provision												
Bad debts written off												
Balance at end of year		(10 100)	(7 035)	(4 186)	(5 370)	2 028	2 028	2 028	(7 628)	(8 078)	(8 522)	
<u>Property, plant and equipment (PPE)</u>												
PPE at cost/valuation (excl. finance leases)	3	133 927	76 675	82 947	95 639	95 639	95 639	95 639	101 597	86 646	91 411	
Leases recognised as PPE												
Less: Accumulated depreciation												
Total Property, plant and equipment (PPE)	2	133 927	76 675	82 947	95 639	95 639	95 639	95 639	101 597	86 646	91 411	
LIABILITIES												
<u>Current liabilities - Borrowing</u>												
Short term loans (other than bank overdraft)	2											
Current portion of long-term liabilities												
Total Current liabilities - Borrowing												
<u>Trade and other payables</u>												
Trade and other creditors	2	14 254	18 191	10 111	1 000	1 000	1 000	1 000	3 250	3 442	3 631	
Unspent conditional transfers									2 465	-	-	
VAT									-	-	-	
Total Trade and other payables		14 254	18 191	10 111	1 000	1 000	1 000	1 000	5 715	3 442	3 631	
<u>Non current liabilities - Borrowing</u>												
Borrowing	4	6 907	4 236	-	3 431	3 431	3 431	3 431	3 644	3 859	4 071	
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing			6 907	4 236	-	3 431	3 431	3 431	3 431	3 644	3 859	4 071
<u>Provisions - non-current</u>												
Retirement benefits	2											
List other major provision items												
Refuse landfill site rehabilitation												
Other												
Total Provisions - non-current		-	-	-	-	-	-	-	-	-	-	
CHANGES IN NET ASSETS												
<u>Accumulated Surplus/(Deficit)</u>												
Accumulated Surplus/(Deficit) - opening balance	1											
GRAP adjustments												
Restated balance												
Surplus/(Deficit)		19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009	
Appropriations to Reserves												
Transfers from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)			19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009
<u>Reserves</u>												
Housing Development Fund	2											
Capital replacement												
Self-insurance												
Other reserves												
Revaluation												
Total Reserves		-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2	19 741	(14 997)	91	(1)	(30)	(30)	-	8 638	6 964	3 009	

2.14 Municipal manager's quality certificate

I, A.M.A Motswane, a municipal manager of Kgatelopele, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name A.M.A Motswana

Municipal manager of Kgatelopele (GT485)

Signature _____

Date _____